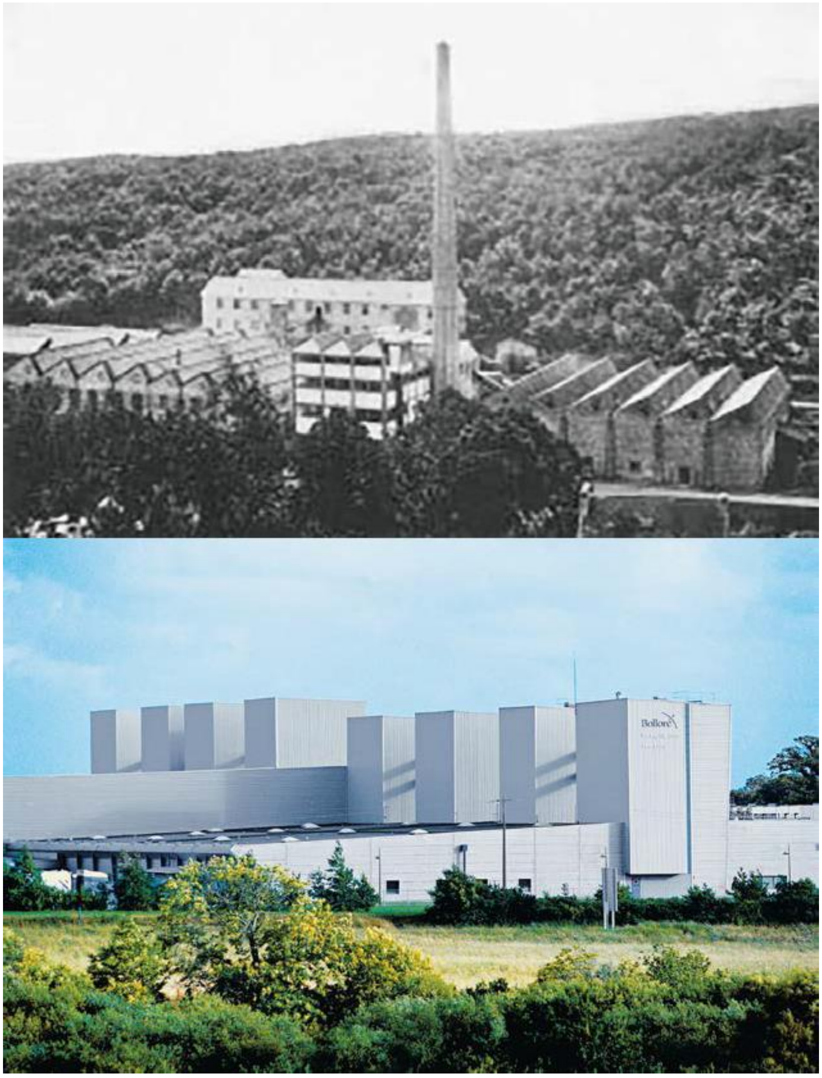
# Financière de l'Odet

Half-year financial 2020



Financière de l'Odet

# SUMMARY

# ACTIVITY REPORT

## 1. SUMMARY OF THE HALF-YEAR RESULTS

### First half 2020 results

The results for all business lines are good despite the pandemic of Covid-19.

- The revenue was €11,612 million, -1% (on a reported basis).
- Ebitda[(1)] stood at €1,550 million, up 10%.
- Adjusted operating income (EBITA [(1)]) was €943 million, up +3%:
  - Bolloré Transport & Logistics: €303 million, -2%;
  - Communications (Vivendi): €735 million, +2%;
  - Electricity storage and systems: -€67 million euros (+18%).

- Net income amounted to €750 million, up +43 % and net income Group share was €84 million, an increase of +9%. This does not include the gain on the sale of 10% of the share capital of UMG on March 31, 2020, on the basis of an enterprise value of €30 billion for 100% of UMG. The sale was recognized in equity in the amount of 2.8 billion euros.
- Net debt stood at €7,533 million, down -€1,248 million against December 31, 2019 (of which Financière de l'Odet excluding Vivendi: €4,476 million, down -€241 million).
- Improved *gearing*: 30% compared to 37% at the end of 2019 and continued high liquidity of €8.2 billion (of which €2.8 billion for Financière de l'Odet).

(1) See glossary

# 2. FIRST HALF 2020 RESULTS

## Consolidated key figures

| in millions of euros | **1st Half 2020** | 1 st Half 2019 | Change % |
|---|---|---|---|
| Revenue | 11,612 | 11,780 | (1%) |
| **EBITDA (1)** | **1,550** | **1,410** | **10%** |
| Depreciation, amortization and provisions | (607) | (492) | (23%) |
| **Adjusted operating income (EBITA (1))** | **943** | **918** | **3%** |
| Amortization resulting from PPA (1) | (194) | (186) | (4%) |
| Operating income | 749 | 731 | 2% |
| of which operating equity associates | 4 | 6 | (31%) |
| Financial income | 444 | 39 | na |
| Share of net income of non-operating companies accounted for under the equity method | (91) | (10) | na |
| Taxes | (353) | (235) | (50%) |
| **Net income** | **750** | **526** | **43%** |
| **Net income, Group share** | **84** | **77** | **9%** |
| Minorities | 666 | 449 | 48% |
| | **June 30, 2020** | December 31, 2019 | Change € million |
| **Shareholders' equity** | **25,138** | **24,021** | **1,116** |
| of which Group share | 3,697 | 3,814 | |
| **Net debt** | **7,533** | **8,781** | **(1,248)** |
| Gearing (2) | 30% | 37% | |

(1) See glossary .

(2) Gearing = ratio of net debt/equity

## Revenue by activity

| in millions of euros | **1st half 2020** | 1st half 2019 | Growth reported (%) | Growth Organic (%) |
|---|---|---|---|---|
| Transportation and logistics | 2,856 | 2,974 | (4%) | (2%) |
| Oil logistics | 1,046 | 1,278 | (18%) | (19%) |
| Communications | 7,574 | 7,351 | 3% | (2%) |
| Electricity Storage and Systems | 122 | 160 | (23%) | (8%) |
| Others (Agricultural Assets, Holdings Companies) | 13 | 17 | (21%) | (22%) |
| **TOTAL** | **11,612** | **11,780** | **(1%)** | **(4%)** |

**First half revenue 2020: down 4% at constant consolidation scope and exchange rates:**

- Transportation and logistics: down 2%

  - Bolloré Logistics: up 6%, benefiting from the strong performance of the air transport activities which fully absorbed the slight drop in the maritime transport activities;

  - Bolloré Africa Logistics: down 13% as a result of the contraction of the logistics business and the impact of the end of the Douala terminal concession (DIT) in Cameroon;
- Oil logistics: down 19%, primarily due to the drop in oil prices;
- Communications (Vivendi): down 2%, despite growth at UMG (+4%) which did not fully offset the decline in the other activities;
- Electricity storage and systems: down 8%, notably due to a decline in the industrial activities in Brittany and in the IER business, impacted by the lockdown.

**On a reported basis, revenue was down 1%,** which includes a €263 million change in the scope of consolidation (consolidation of Editis and M7 at Vivendi, exit of Bolloré Ports France and Wifirst), and a €37 million foreign exchange impact (mainly reflecting the rise of the US dollar).

## EBITA by activity

| in millions of euros | 1st half 2020 | 1st half 2019 | Reported growth |
|---|---|---|---|
| **Bolloré Transport & Logistics** | **303** | **309** | **(2%)** |
| % CA | 7,8% | 7,3% | 49 bps |
| Transportation and Logistics [(1)] | 268 | 284 | (6%) |
| Oil logistics | 35 | 25 | 43% |
| **Communications** | **735** | **718** | **2%** |
| **Electricity Storage and Systems** | **(67)** | **(81)** | **18%** |
| Others (Agricultural Assets, Holdings Companies) [(1)] | (28) | (28) | (1%) |
| **Bolloré Group EBITA** | **943** | **918** | **3%** |

(1) Before Bolloré trademark fees.

**Adjusted Operating Income (EBITA): €943 million, up 3% (-1 % at constant consolidation scope and exchange rates):**

- Transportation and logistics: down 6% as a result of the end of the Douala terminal concession (DIT) in Cameroon and the decline in the logistics activities in Africa, partially offset by the good performance of the freight forwarding activities, primarily air and maritime terminals.
- Oil logistics: up 43% benefiting from higher earnings of the distribution and storage activities;
- Communications (Vivendi): up 2% thanks to the excellent performance of UMG and the Canal+ Group;
- Electricity storage and systems: €14 million improvement due to the effect of non-recurring impairment decided in 2019 as part of the strategic redeployment in batteries, buses and stationary solutions.

## Financial income

| In millions of euros | 1st Half 2020 | 1st Half 2019 | Change |
|---|---|---|---|
| Net dividends and income from investments in marketable securities | 14 | 17 | (3) |
| Net financing expenses | (52) | (65) | (13) |
| Other financial expenses and income | 482 | 87 | na |
| **FINANCIAL INCOME** | **444** | **39** | **na** |

**Financial income** primarily includes €449 million generated by the revaluation of the Spotify and Tencent Music securities (compared to €155 million in the first half of 2019).

## Net income of associates

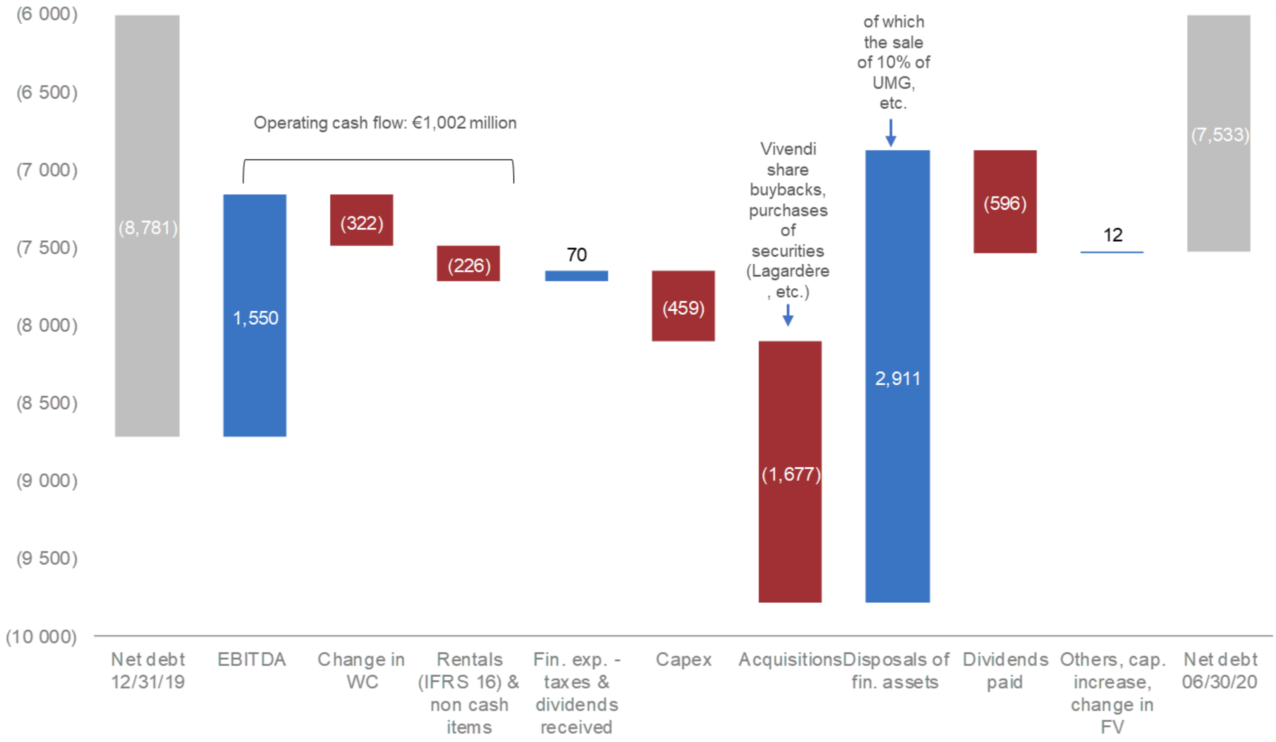
| in millions of euros | 1st Half 2020 | 1st Half 2019 | Change |
|---|---|---|---|
| Share of net income of-non-operating companies accounted for using the equity method | (91) | (10) | (81) |

**The results of associated companies include:**

- An impact of -€160 million related to Mediobanca, corresponding to the drop in the share price, offset by the financial income of +109 million corresponding to the hedges on the shares;
- +€64 million from Telecom Italia including the impact of the Inwit transaction.

## Changes in cash

### Change in net debt (million of euros)




## Balance sheet Liquidity

| in millions of euros | **June 30th, 2020** | December 31, 2019 | Change |
|---|---|---|---|
| **Shareholder's equity** | **25,138** | **24,021** | **1,116** |
| of which Group share | 3,697 | 3,814 | |
| **Group Net debt** | **7,533** | **8,781** | **(1,248)** |
| Gearing (%) (1) | 30% | 37% | |

(1) Gearing = ratio of net debt / equity.

**Equity** was €25,138 million (€24.021 million as of December 31, 2019), up by €1,116 million as a result of the sale of 10% of the share capital of UMG to Tencent (+€2.8 billion before expenses and taxes) and despite the negative impact of price on securities (-€1.0 billion) and buybacks of Group securities (Vivendi and Blue Solutions). The ratio of net debt to equity (gearing) was 30%, compared to 37% at the end of 2019.

**Net debt** was €7,533 million compared to €8,781 million on December 31, 2019, down by €1,248 million, of which -€241 million for Financière de l'Odet, excluding Vivendi.

### Liquidity

- As of June 30, 2020, the Group's liquidity position, including undrawn confirmed lines and liquid investments was €2.8 billion at the Financière de l'Odet level and €8.2 billion including Vivendi.

# 3. GROUP STRUCTURE

### Sale of 10% of UMG to a Tencent-led consortium

- Completion on March 31, 2020 of the sale of 10% of the share capital of UMG to a consortium led by Tencent, based on an enterprise value of €30 billion for 100% of UMG;
- The Tencent-led consortium has an option to acquire up to an additional 10% of the share capital of UMG until January 15, 2021, on the same valuation basis.

### Buyback of Vivendi shares

- Between January 1 and March 6, 2020, Vivendi bought back 23 million shares on the market for a total of €559 million increasing the total number of shares acquired under the program authorized by the General Shareholders' Meeting of April 15, 2019 to 131 million shares, i.e. 10% of the share capital (as of the date of program implementation);
- Since the General Shareholders' Meeting of April 20, 2020 and at the date of September 4, 2020, Vivendi bought back 16,5 million additional shares for a total €352 million.

### Shareholding in Lagardère

- As of July 10, Vivendi held 21% of the share capital and 16% of the voting rights of Lagardère SCA.

### Bolloré's tender offer for Blue Solutions

- Completion of the public tender for Blue Solutions for €17 per share which took place from May 29 to July 8, 2020;
- Mandatory squeeze-out on July 15, 2020: Bolloré now holds 100% of the share capital of Blue Solutions.
- The value of the shares acquired is €110 million.

# 4. COMPARABILITY OF FINANCIAL STATEMENTS

## Change in the consolidation scope

- Editis has been consolidated by Vivendi since February 1, 2019.
- M7 has been consolidated by Canal+ group since September 12, 2019.
- The exit of Bolloré Ports France and Wifirst in the second half of 2019.

### Currencies

| Average exchange rates | 1st Half 2020 | 1st Half 2019 | Change |
|---|---|---|---|
| USD | 1.10 | 1.13 | 3% |
| GBP | 0.87 | 0.87 | (0%) |
| PLN | 4.41 | 4.29 | (3%) |
| JPY | 119.21 | 124.29 | 4% |
| CNY | 7.75 | 7.67 | (1%) |
| ZAR | 18.33 | 16.04 | (14%) |

# 5. ESG PERFORMANCE

## Priority CSR commitments in 2020

▪ **Climate**

More in-depth analysis of the risks linked to climate change with a view to developing a climate strategy

▪ **Governance**

In the future, the Group intends to continue adapting its governance to meet the expectations of its shareholders

## Ongoing dialogue with the rating agencies

| | 2019 | 2020 | |
|---|---|---|---|
| Governance (1) | 8 | 7 | +1 |
| Social (2) | 3 | 1 | +2 |
| Environment (2) | 4 | 2 | +2 |

*(1) Lower Governance Risk = 1 / Higher Governance Risk = 1*

*(2) Higher E&S Disclosure = 1 / Lower E&S Disclosure = 10*

| | | | |
|---|---|---|---|
| | Signatory of the **Global Compact** for over 15 years Communication on Progress: Advanced level | | **Commitments in line with the SDGs**: positive impact on 64 out of the 169 targets |
| | 2019: **Score B** for Bolloré (*after the Score B obtained in 2018 by Bolloré Logistics*) | | 2019: 2nd **ESG prize** Gaia Rating for Blue Solutions (revenue category <€150 million) |

## Reminder of changes in governance implemented in 2020

In order to clarify the governance and respond to certain observations made by investors and agencies, Bolloré SE and Financière de l'Odet SE changed the composition of the Boards of Directors in 2020 to make them:

- **Smaller in size:**
  ✓Bolloré: 13 members versus19 members,
  ✓Financière de l'Odet: 15 members vesus 17 members.

- **More independent:**
  ✓different independent directors at Bolloré and Financière de l'Odet,
  ✓limitation on seats held by legal entities,
  ✓changes to the Audit Committees and Appointments and Compensation Committees, so that they no longer include senior-executive employees.

- **More feminine:**
  ✓Bolloré: 45% women, excluding directors representing employees.
  ✓Financière de l'Odet: appointment of 3 female directors to the Board of Directors of Financière de l'Odet.

## 6. IMPACTS OF THE COVID-19 CRISIS ON THE GROUP'S BUSINESSES

- With its vast geographical presence, the Group had to deal successively with the consequences of the current health crisis in the first half of the year, across all its business lines and geographical areas.
- Although the COVID-19 pandemic is having a more significant impact on certain countries or businesses than others, the Group has been able to demonstrate resilience and adapt in order to continue to best serve its customers, while reducing costs to preserve its margins. The Transportation and Logistics businesses benefited from exceptional freight rates which partially offset the slowdown in normal flows. Communications business activities showed good resistance, in particular music and pay television.
- The Group carefully analyzes the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact its annual results. Businesses related to live performance and advertising are likely to be affected longer than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities and best serve its customers and audiences while complying with the authorities' guidelines in each country where it operates.
- A review of the value of assets with an indefinite life was performed, in particular the value of the goodwill. Taking into account the performance achieved during the first half of the year by the business units, the Group did not identify any indications of a decrease in the recoverable amount compared to December 31, 2019, based on the sensitivity analyses performed.

# 7. ACTIVITIES

## TRANSPORTATION AND LOGISTICS

| in millions of euros | **1st Half 2020** | 1st Half 2019 | Change (%) | Organic Growth (%) |
|---|---|---|---|---|
| Revenue Bolloré Logistics | 1,805 | 1,735 | 4% | 6% |
| Revenue Bolloré Africa Logistics | 1,052 | 1,239 | (15%) | (13%) |
| **TOTAL REVENUE** | **2,856** | **2,974** | **(4%)** | **(2%)** |
| **EBITA (1)** | **268** | **284** | **(6%)** | **(5%)** |
| Investments(2) | 120 | 125 | | |

(1) Before Bolloré's trademark fees.

(2) Including the financing of the upfront fee for the Ivory Coast Terminal

**EBITA: €268 million -5% at constant consolidation scope and exchange rates**

- Resilient results despite the public health crisis.
- Increased earnings from the freight forwarding business thanks to the good performance of the air transport activities and cost containment.
- The performance of port terminals was affected by the end of the Douala terminal (DIT) concession in Cameroon, following the contract's expiration at the end of 2019.
- Excluding the effect of the end of DIT, the earnings of the port terminals improved while a decline in projects impacted the logistics activities in Africa.

### BOLLORÉ LOGISTICS

**Revenue for the first half of 2020: €1,805 million, +6% at constant consolidation scope and exchange rates.** The rise in air freight and, to a lesser extent, sea freight prices, largely offset the volume contraction in most areas due to the public health crisis.

**1st half-year 2020 results marked by:**

- Strong increase in earnings from Asia, driven by Greater China, Singapore and Vietnam which benefited from dynamic transit and contractual logistics activities;
- In Europe, earnings growth, driven by Germany, Switzerland and Luxembourg, all of which benefited from the rise in air freight prices against the backdrop of insufficient capacities and strict cost control. France managed to perform well despite weak aeronautical activity, which was offset by a drop in its breakeven point.
- In the other regions, the slight increase in earnings in the Americas (thanks to Canada and Mexico) offset the slowdown in the Middle East - South Asia (India, Lebanon) region.

**Development of the network:**

- In March 2020, the Group acquired a majority shareholding in Global Freight Solutions AB based in Sweden (60 employees).

### BOLLORÉ AFRICA LOGISTICS

**Revenue in the first half of 2020: €1,052 million, -13% at constant consolidation scope and exchange rates**, reflecting the contraction of the logistics activities in Africa and the end of the Douala terminal (DIT) concession in Cameroon.

**1st half-year 2020 results marked by:**

- Lower earnings from the logistics and conventional handling operations throughout Africa linked to the effects of the public health crisis (decline in projects);
- The performance of port terminals, affected by the end of the DIT activities in Cameroon, following the contract's expiration at the end of 2019. Restated for the DIT effect, the earnings of the port terminals rose, driven by the good performance of MPS and the Freetown Terminal;

- The decline in the results of the railways business, mainly attributable to Sitarail due to the slowdown in hydrocarbons traffic and the shutdown of the railway in June as a result of a landslide.

**Development of the network**

- In March 2020, Bolloré Transportation & Logistics Ethiopia began its operations, through a joint-venture between Bolloré Transportation & Logistics and the Ethiopian company CLS Logistics.
- In June 2020, Conakry Terminal commissioned the Kagbelen inland container depot on an area of 30 hectares with a storage capacity of 2,000 vehicles.

## BOLLORÉ ENERGY

| In millions of euros | **1st Half 2020** | 1st Half 2019 | Change (%) | Organic Growth % |
|---|---|---|---|---|
| Revenue | 1,046 | 1,278 | (18%) | (19%) |
| EBITA | 35 | 25 | 43% | 42% |
| Investments | 3 | 12 | (71%) | |

**Revenue:** -19%, mainly as a result of a steep fall in prices of oil products, as well as in volumes.

**EBITA was €35 million, up +42% at constant scope and exchange rates due to:**

- Improved earnings in France and Europe (Switzerland and Germany) thanks to very good heating oil sales volumes in an environment of falling benchmark prices of oil products.
- The oil logistics business also performed well, particularly the DRPC (Rouen Petit-Couronne Depot), operated in partnership with Total, which continues to ramp-up activity with an increase in its storage capacity.

# COMMUNICATIONS

## VIVENDI

### First half 2019 results reported by Vivendi

| in millions of euros | **1st Half 2020** | 1st Half 2019 | Change % |
|---|---|---|---|
| Revenue | 7,576 | 7,353 | 3% |
| EBITA | 735 | 718 | 2% |
| Net income Group share | 757 | 520 | 46% |
| Adjusted net income (1) | 583 | 554 | 5% |
| in millions of euros | **June 30, 2020** | December 31, 2019 | Change % |
| Shareholders' equity | 17,422 | 15,575 | 12% |
| Net debt/ (cash net) | 3,057 | 4,064 | (25%) |
| Market value of the listed share portfolio | 4,035 | 3,951 | 2% |
| **EBITA by activity** | **1st Half 2020** | 1st Half 2019 | Change% |
| Universal Music Group | 567 | 481 | 18% |
| Groupe Canal + | 300 | 233 | 29% |
| Havas | 46 | 108 | (57%) |
| Editis | (21) | 4 | |
| Other activities (2) | (157) | (108) | |
| **Total EBITA** | **735** | **718** | **2%** |
| PPA | (75) | (73) | |
| **TOTAL EBIT** | **660** | **645** | **2%** |
| Bolloré's PPA | (120) | (114) | |
| Other operating revenue and expenses | - | - | |
| **TOTAL EBIT Bolloré** | **541** | **531** | **2%** |

(1) Non-GAAP measure. See definitions on page 5 of the Vivendi 2020 half-year financial report.

(2) Gameloft, Vivendi Village, New Initiatives and Corporate Costs.

### First Half-year 2020 key figures

- **2% organic decrease in revenues** compared with the first half of 2019; UMG's growth (+4%) did not entirely offset the revenue slowdown of Havas Group and Vivendi Village, which were affected by the public health crisis.

- **EBITA: €735 million, +2% (-4% at constant consolidation scope and exchange rates), benefiting from the growth of UMG and Canal+ Group.**

- **Adjusted net income: €583 million, +5%.** This increase mainly reflects the improvement of EBITA and the increase in the share in net income of Telecom Italia, which includes the capital gain on the Inwit transaction.

- **Net income, group share €757 million, +46%.**

- **Successful opening of UMG's share capital:**

  - Disposal of 10% of the share capital of UMG based on an enterprise value of €30 billion for 100% of UMG, completed on March 31, 2020.
  - Option for Tencent to acquire, on the same valuation basis, an additional 10% of the share capital of UMG until January 15, 2021.
  - Vivendi is pursuing the possible sale of additional minority interests in UMG with the assistance of several banks.
  - An initial public offering is planned for early 2023 at the latest.

## UNIVERSAL MUSIC GROUP

| in millions of euros | 1st Half 2020 | 1st Half 2019 | Change % |
|---|---|---|---|
| Revenue | 3,459 | 3,258 | 6% |
| EBITA | 567 | 481 | 18% |

**Organic revenue growth: +4%**

- Revenue from recorded music grew 4% at constant consolidation scope and exchange rates, mainly thanks to the increase in subscription and streaming revenues (+12.4%). Physical sales fell 22.4% compared with the first half of 2019, while download sales declined by 23.1%.
- Revenue from music publishing grew 21.2% at constant consolidation scope and exchange rates compared with the first half of 2019, driven by increased subscription and streaming revenues.

**EBITA: €567 million, up 18%**, driven by revenue growth and cost control.

## CANAL+ GROUP

| in millions of euros | 1st Half 2020 | 1st Half 2019 | Change % |
|---|---|---|---|
| Revenue | 2,674 | 2,518 | + 6% |
| EBITA | 300 | 233 | +29% |

**Revenue Growth: +6%** (-1.6% organically)

- Canal+ Group's total subscriber portfolio (individual and collective): 20.4 million (compared with 17.1 million in the first half of 2019) of which 8.6 million in metropolitan France;
- Strong growth in revenues from International operations (+5.2% organically, +30.5% actual with the integration of M7) driven by the outstanding year-on-year growth in the number of subscribers (+3.2 million) which partially offset the slight fall in revenue from television operations in metropolitan France (-2.1% organically), impacted by the downturn in the advertising market and the decline in revenue of Studiocanal (-30.5% over the period) due to the pandemic.

**EBITA: €300 million (+7% organically)**

- EBITA before restructuring charges was €329 million compared with €236 million in the first half of 2019. After restructuring charges, EBITA was
  €300 million, compared with €233 million in the first half of 2019 (+7% organically).

## HAVAS

| in millions of euros | 1st Half 2020 | 1st Half 2019 | Change |
|---|---|---|---|
| Net Revenue (1) | 977 | 1,061 | (8%) |
| EBITA | 46 | 108 | (57%) |

(1) See glossary for definition.

**Net revenue: -7.9% (-11.2% organically)**

- In a challenging environment, net revenue fell 11.2% in organic terms (-3.3% in the first quarter and -18.3% in the second quarter) compared with the first half of 2019, with the second quarter of 2020 heavily impacted by the COVID-19 pandemic. All divisions were impacted except for Havas Health & You, which continues to report a positive performance thanks to the market share gains achieved last year.

**EBITA: €46 million (compared with €108 million)**

- The contraction in EBITA compared with the same period in 2019 was due to the sharp downturns in activity reported by both the Media and Creative divisions. A cost-reduction plan was implemented in both divisions in the early weeks of the crisis and, by the end of June, Havas Group had already absorbed nearly half the decline in revenues (before restructuring costs).

## EDITIS (2)

| in millions of euros | 1st Half 2020 | 1st Half 2019 | Change % |
|---|---|---|---|
| Revenue | 262 | 260 | 1% |
| EBITA | (21) | 4 | ns |

**Revenue: +0.6% (-15.1% organically)**

- Business declined 15.1% on an organic basis, impacted by the lockdown which led to the partial shut-down of the publishing sector's points of sale. However, a strong market recovery, especially for Editis, which enjoyed a revenue increase of 38.0% in June, helped offset the negative impact of the lockdown period on sales in the first half of 2020 compared with the first half of 2019.
- Given the impact of the lockdown on sales, EBITA after restructuring costs represented a loss of €21 million, compared with a loss of €5 million in the same period of 2019 (pro forma).

## OTHER BUSINESS LINES (Gameloft, Vivendi Village and New Initiatives)

| in millions of euros | 1st Half 2020 | 1st Half 2019 | Change % |
|---|---|---|---|
| Revenue | 161 | 203 | (21%) |
| EBITA | (158) | (108) | ns |

(2) Editis has been consolidated in Vivendi's financial statements since February 1, 2019.

# ELECTRICITY STORAGE AND SYSTEMS

| in millions of euros | **1st Half 2020** | 1st Half 2019 | Change (%) | Organic Growth % |
|---|---|---|---|---|
| Revenue | 122 | 160 | (23%) | (8%) |
| EBITA | (67) | (81) | 18% | 22% |
| Investments | 20 | 44 | (54%) | |

**Revenue: €122 million, -8% organically**

- The decline in revenue from industrial activities (electricity storage, plastic films, terminals and specialized systems) is explained by the fall in the specialized terminals and plastic films businesses, which were affected by the public health crisis.

**EBITA: -€67 million**

- Improvement related in particular to the impact of asset impairments recognized in 2019 following the strategic reorganization.

## BRITTANY

### Bluebus, stationary energy storage and plastics films

#### ▪ Batteries (Blue Solutions)

- Sales of 124 new generation batteries to Daimler, Bluebus and Gaussin. Gradual resumption of production in May following a six-week interruption due to a supply disruptions caused by the pandemic.
- Supply contract signed with Daimler and receipt of first Actia order.

#### ▪ Stationary activities

- Assembly of first storage cabinets for the RINGO project.

#### ▪ Bluebus

- Sale of eight 6-meter buses in the first half of 2020. All deliveries of 12-meter buses to RATP (67 buses) will be in the second half.
- The shutdown of several suppliers during the public health crisis forced Bluebus to halt production from the end of March to mid-May.
- New order from RATP for 44 12-meter buses for delivery in the first half of 2021.

#### ▪ Plastic films

- Strong demand for food packaging film offset the slight fall in standard film and the dielectric activity.
- Production continued during the public health crisis.

## SYSTEMS

#### ▪ IER/Automatic Systems

- The results of IER/AS were heavily impacted by the effects of the public health crisis, which delayed infrastructure deployments (access control systems, self-service automata and terminals) planned for the first half of the year, and weakened customers, particularly those operating in the air transport market. Innovative solutions have been developed under the EASIER brand, to support customers seeking to be equipped with control systems that include health control features.

#### ▪ Polyconseil

- Polyconseil, an information systems and digital transformation consulting firm, continues to reposition towards new mobility applications (SmartMobility, a platform for the supervision and management of new urban mobility methods, aimed at local authorities).

### ▪ Bluecar/Car-sharing

- The Group is considering the future of its car-sharing activities and electric re-charging in order to reduce losses. As a result, the car-sharing services in London and Indianapolis were discontinued during this half-year period, which had a positive impact on the earnings of these activities compared with 2019. At Bluecar, the halting of production of vehicles at the end of 2019 also contributed to the significant improvement of the results for the first half of 2020.

### ▪ Telecoms

- Bolloré continues to invest in the telecom sector, where it owns 3.5 GHz frequency licenses covering all of France and enabling it to deploy a network.

## OTHER ASSETS

### Portfolio of listed securities at June 30, 2020

Value of the listed securities portfolio at June 30, 2020 was €4.7 billion. This portfolio includes investments held by Financière de l'Odet (Mediobanca, Socfin, etc.) for €0.7 billion and by Vivendi (Telecom Italia, Mediaset, etc.) for €4.0 billion;

The Financière de l'Odet Group, which sold just over 1% of its stake in Mediobanca (for €93 million) in 2019, sold another 1% in January 2020 for about €90 million.

As of June 30, 2020, the Group held 50 million Mediobanca shares, representing 5.6% of the share capital, 62% of which were hedged by forward sales that could be settled in shares or cash between the end of 2020 and the beginning of 2021.

## 8. EVENTS AFTER THE REPORTING PERIOD

The main events between on July 31, 2020, the date of the publication of the results and the publication of this report are as follows:

- On July 14, 2020, the Group declared that it held 21.19% of Lagardère's share capital and 16.01% of its voting rights.
  On August 11, 2020, after the very poor results announced by Lagardère in late July, Vivendi and Amber Capital have decided to sign a pact. Vivendi and Amber Capital, respectively the first and second largest shareholders of Lagardère with 23.5% and 20% of the share capital, will initiate steps in this framework with Lagardère to each seek a minority Supervisory Board representation of three members for Amber Capital and one member for Vivendi. The two companies also wanted to stabilize the Lagardère shareholding by entering today into a five-year reciprocal first offer and preemption rights agreement on their Lagardère shares.
  On August 11, 2020, Vivendi held 23.5% of the share capital of Largardère SCA.

- Vivendi welcomes with great satisfaction the judgment pronounced on September 3, 2020, by the Court of Justice of the European Union and is delighted that the highest European legal authority today has ruled fully in its favor. Vivendi has always acted in strict compliance with Italian law and was forced to defend its interests in court after Mediaset referred to the AGCom, in the sole desire to prevent Vivendi from participating in its Shareholders Meetings.
  Mediaset, having thus unfairly called upon the Italian authorities, has used this obstruction to try and move its headquarters to the Netherlands, a plan blocked by both the Spanish and Dutch courts.
  Being prohibited from voting on several occasions at Mediaset Shareholders Meetings caused the resolutions adopted following this exclusion to be illegal. This has placed Mediaset in a situation of severe legal uncertainty.
  Vivendi renews its commitment towards Italy and confirms its willingness to be a long-term investor in this beautiful country.

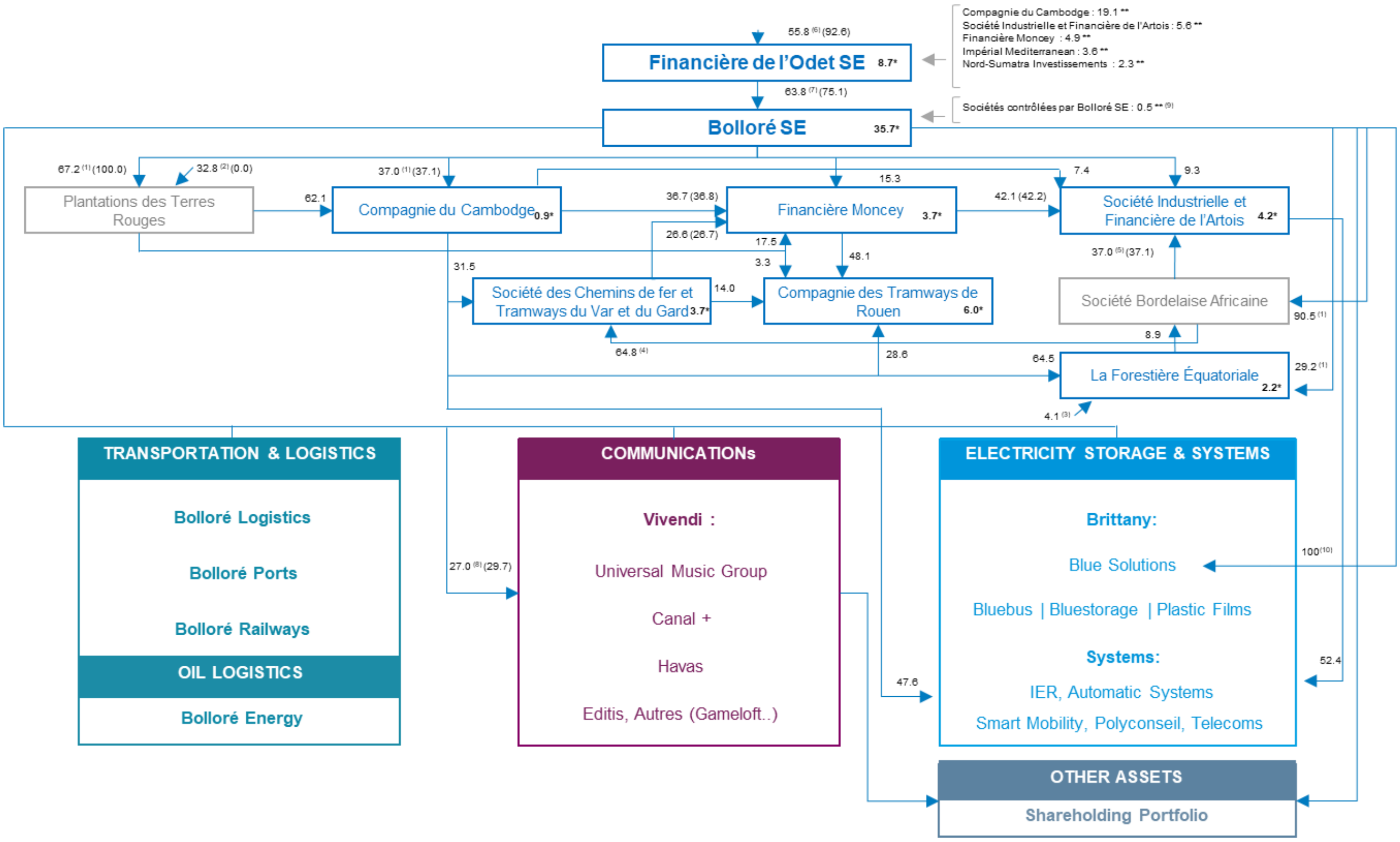
## 9. MAIN RISKS AND UNCERTAINTIES

The main financial risks with which the Group could be confronted are explained in the Note 9 in appendix to the condensed half-yearly consolidated financial statements, see Note 11.2. on litigation in progress.

## 10. MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are detailed in the Note 14 in appendix to the condensed half-yearly consolidated financial statements.

## 11. ECONOMIC ORGANIZATIONAL CHART, AS JUNE 30, 2020 (% Of SHARE CAPITAL)



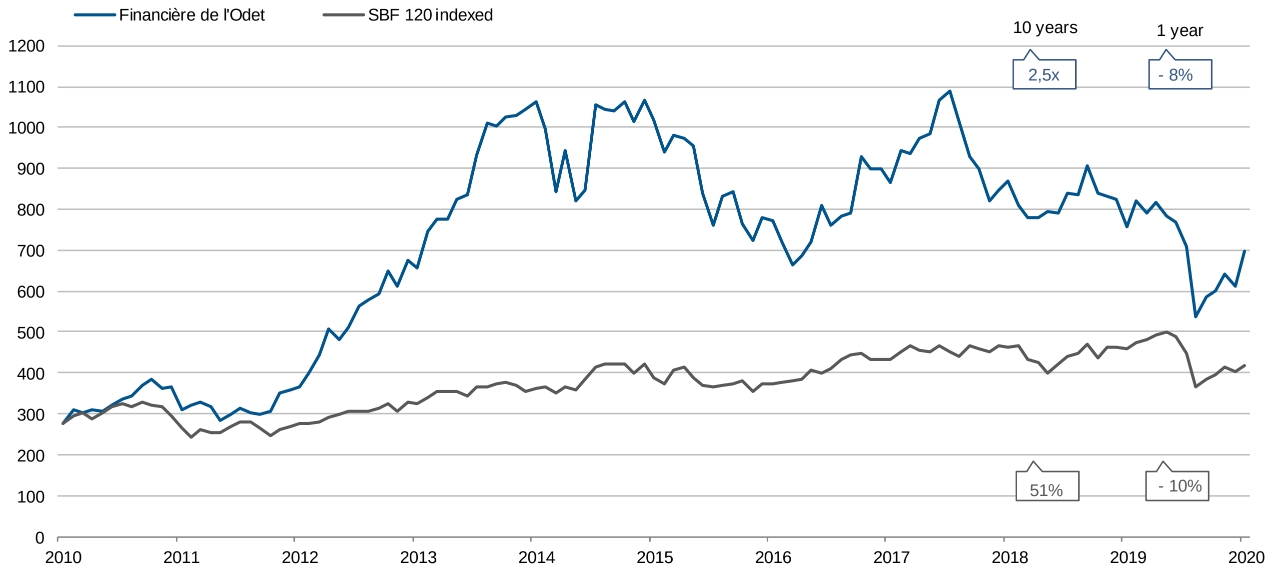

% (%) % of capital (% of voting rights at GM, if different)
* % of share capital outside the Group
** Controlled by Bolloré
Listed companies

By convention, shareholdings under 1% are not mentioned:

**(1)** Directly and indirectly owned by 100% owned subsidiaries.
**(2)** of which < 10.0% by Compagnie du Cambodge and 22.8% by SIF Artois.
**(3)** 4.1 % by SFA 98.4% owned subsidiary of Plantations des Terres Rouges.
**(4)** 64.8 % by its 53.4% owned direct subsidiary Socfrance.
**(5)** 30.2 % by Société Bordelaise Africaine and 6.8 % by its 53.4%-owned direct subsidiary Socfrance.
**(6)** of which 5.4% by its 99.5 % - directly owned subsidiary Compagnie de Guénolé.
**(7)** of which 0.3% by Compagnie de l'Etoile des Mers, held by Bolloré Participations SE (51%) and by Financière de l'Odet SE (49%).
**(8)** via Compagnie de Cornouaille and Financière de Larmor, wholly owned subsidiaries of Bolloré
**(9)** Imperial Mediterranean, Société Bordelaise Africaine and Nord-Sumatra Investissements.
**(10)** Post 06/30/20, after the squeeze-out.

## 12. CHANGE IN THE SHARE PRICE

Price in euros, monthly average.
Stock market price at August 31, 2020.



# SUMMARY OF CONDENSED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS



Unless otherwise indicated, all amounts are expressed in millions of euros and rounded to the nearest decimal. In general, the values presented in the consolidated financial statements and the notes to the consolidated financial statements are rounded to the nearest decimal. As a result, the sum of the rounded amounts may differ slightly from the reported total. Furthermore, ratios and differences are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

## CONSOLIDATED INCOME STATEMENT

| *(in millions of euros)* | NOTES | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|---|
| **Revenue** | 6.1 - 6.2 | **11,612.2** | **11,779.7** | **24,842.8** |
| Goods and services bought in | 6.3 | (7,677.7) | (8,034.7) | (16,882.4) |
| Personnel costs | 6.3 | (2,417.8) | (2,353.6) | (4,889.8) |
| Depreciation and provisions | 6.3 | (801.0) | (678.3) | (1,811.2) |
| Other operating income | 6.3 | 109.9 | 67.5 | 98.6 |
| Other operating expenses | 6.3 | (80.7) | (55.1) | (125.6) |
| Share in net income of operating companies accounted for using the equity method | 6.3 - 8.2 | 3.9 | 5.7 | 23.4 |
| **EBIT** | 6.1 - 6.2 - 6.3 | **748.8** | **731.2** | **1,255.7** |
| Net financing expenses | 8.1 | (51.9) | (65.2) | (129.4) |
| Other financial income | 8.1 | 711.6 | 326.4 | 533.4 |
| Other financial expenses | 8.1 | (215.3) | (221.8) | (390.6) |
| **Financial income** | 8.1 | **444.4** | **39.4** | **13.4** |
| Share in net income of non-operating companies accounted for using the equity method | 8.2 | (90.7) | (9.9) | 98.0 |
| Corporate income tax | 13 | (352.6) | (235.0) | 34.5 |
| **Consolidated net income** | | **750.0** | **525.7** | **1,401.7** |
| Consolidated net income, Group share | | 83.9 | 76.6 | 121.9 |
| Minority interests | | 666.1 | 449.1 | 1,279.7 |

**Earnings per share[(1)] (in euros):** 10.2

| | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|
| **Net income, Group share:** | | | |
| – basic | 19.76 | 18.06 | 28.73 |
| – diluted | 19.76 | 18.06 | 28.73 |

(1) Excluding treasury shares

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| *(in millions of euros)* | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|
| **Consolidated net income for the period** | **750.0** | **525.7** | **1,401.7** |
| Translation adjustment of controlled entities | (227.7) | 127.3 | 281.1 |
| Change in fair value of financial instruments of controlled entities (1) | 2.0 | (5.9) | (4.7) |
| Other changes in items that are recyclable subsequently through profit or loss (2) | (58.5) | 80.0 | 111.8 |
| **Total changes in items that will be recycled subsequently through net profit or loss** | **(284.2)** | **201.4** | **388.1** |
| Change in fair value of financial instruments of controlled entities (1) | (1,026.3) | 197.1 | (2.7) |
| Change in fair value of financial instruments of entities accounted for using the equity method (2) | (0.7) | (1.0) | (2.0) |
| Actuarial gains and losses from controlled entities recognized in equity | 15.9 | (50.3) | (160.5) |
| Actuarial gains and losses from entities accounted for using the equity method recognized in equity | 3.6 | 1.6 | (9.5) |
| **Total changes in items that will not be recycled subsequently through net profit or loss** | **(1,007.5)** | **147.4** | **(174.5)** |
| **Comprehensive income** | **(541.7)** | 874.5 | 1,615.2 |
| Of which: | | | |
| – Group share | (297.3) | 192.1 | 183.0 |
| – minority interests | (244.6) | 682.4 | 1,432.2 |
| of which tax in other comprehensive income: | | | |
| – on items that can be recycled through netprofit or loss | 0.0 | 0.9 | 0.1 |
| – on items that cannot be recycled through net profit or loss | (5.1) | (19.9) | 29.4 |

(1) See Note 8.3 – Other financial assets.

(2) Change in comprehensive income from investments in companies accounted for under the equity method: essentially the impact of the conversion and recognition at fair value of items that are recyclable through profit or loss – See Consolidated statement of changes in shareholders' equity.

## CONSOLIDATED BALANCE

| *(in millions of euros)* | NOTES | 6/30/2020 | 12/31/2019 |
|---|---|---|---|
| **Assets** | | | |
| Goodwill | 7.1 | 16,590.7 | 16,699.8 |
| Other intangible assets | 7.2 - 6.1 - 6.4 | 10,616.3 | 10,831.6 |
| Property, plant and equipment | 7.3 - 6.1 - 6.4 | 4,247.3 | 4,334.8 |
| Investments accounted for under the equity method | 8.2 | 4,309.8 | 4,581.9 |
| Other non-current financial assets | 8.3 | 5,116.4 | 4,711.7 |
| Deferred tax | | 919.8 | 889.7 |
| Other non-current assets | | 1,045.7 | 830.3 |
| **Non-current assets** | | **42,846.1** | **42,879.8** |
| Inventories and work in progress | | 948.0 | 1,358.5 |
| Trade and other receivables | | 6,832.2 | 7,727.3 |
| Current tax | | 126.6 | 409.1 |
| Other current financial assets | 8.3 | 309.1 | 234.5 |
| Other current assets | | 839.1 | 757.6 |
| Cash and cash equivalents | 8.4 | 3,559.2 | 2,943.3 |
| **Current assets** | | **12,614.2** | **13,430.3** |
| **Total Assets** | | **55,460.2** | 56,310.1 |
| **Equity and liabilities** | | | |
| Share capital | | 105.4 | 105.4 |
| Share issue premiums | | 87.7 | 87.7 |
| Consolidated reserves | | 3,504.2 | 3,621.1 |
| **Shareholders' equity, Group share** | | **3,697.3** | **3,814.1** |
| Minority interests | | 21,440.5 | 20,207.4 |
| **Equity** | 10.1 | **25,137.8** | **24,021.5** |
| Non-current financial debts | 8.5 | 8,142.1 | 9,428.2 |
| Provisions for employee benefits | 11 | 1,016.0 | 1,041.0 |
| Other non-current provisions | 11 | 474.0 | 558.4 |
| Deferred tax | | 2,800.1 | 2,714.0 |
| Other non-current liabilities | 6.4 | 2,143.3 | 2,172.6 |
| **Non-current liabilities** | | **14,575.5** | **15,914.2** |
| Current financial debts | 8.5 | 3,075.2 | 2,499.9 |
| Current provisions | 11 | 576.6 | 497.6 |
| Trade and other payables | | 10,869.0 | 12,302.1 |
| Current tax | | 290.4 | 168.9 |
| Other current liabilities | 6.4 | 935.7 | 905.9 |
| **Current liabilities** | | **15,746.9** | **16,374.4** |
| **Total liabilities** | | **55,460.2** | 56,310.1 |

## CHANGES IN CONSOLIDATED CASH FLOWS

| *(in millions of euros)* | NOTES | June 2020 | June 2019 | December 2019 |
|---|---|---|---|---|
| **Cash flow from operations** | | | | |
| Net income, Group share | | 83.9 | 76.6 | 121.9 |
| Net income, minority interests' share | | 666.1 | 449.1 | 1,279.7 |
| **Consolidated net income** | | **750.0** | 525.7 | 1,401.7 |
| Non-cash income and expenses: | | | | |
| – elimination of depreciation, amortization and provisions | | 746.2 | 709.9 | 1,843.0 |
| - elimination of change in deferred taxes | | 48.3 | 31.0 | (4.6) |
| – other income and expenses not affecting cash flow or not related to operating activities | | (420.5) | (121.6) | (212.0) |
| – elimination of capital gains or losses upon disposals | | 8.0 | 1.1 | (95.6) |
| Other adjustments: | | | | |
| – net financing expenses | | 51.9 | 65.2 | 129.4 |
| – income from dividends received | | (14.2) | (16.9) | (19.9) |
| – tax charge on companies | | 304.2 | 204.0 | (30.2) |
| – financial cost of IFRS 16 | | 46.6 | 44.6 | 92.1 |
| Dividends received: | | | | |
| – dividends received from companies accounted for using the equity method | | 45.1 | 7.9 | 49.6 |
| – dividends received from unconsolidated companies | | 7.5 | 8.1 | 20.3 |
| Income tax on companies paid up | | 67.2 | (456.0) | (446.8) |
| Impact of the change in working capital requirement: | | (321.8) | (627.8) | (151.7) |
| *– of which inventories and work in progress* | | *(15.1)* | *(63.5)* | *(134.1)* |
| *- of which payables* | | *(703.9)* | *(319.5)* | *81.0* |
| *- of which receivables* | | *397.2* | *(244.7)* | *(98.7)* |
| **Net cash from operating activities** | | **1,318.5** | 375.1 | 2,575.2 |
| **Cash flows from investment activities** | | | | |
| Disbursements related to acquisitions: | | | | |
| – property, plant and equipment | | (250.7) | (297.5) | (606.8) |
| – intangible assets | | (225.6) | (218.0) | (720.2) |
| – assets arising from concessions | | (0.2) | (2.1) | (3.7) |
| – securities and other non-current financial assets | | (928.3) | (508.5) | (189.9) |
| Income from disposal of assets: | | | | |
| – property, plant and equipment | | 4.2 | 10.7 | 20.2 |
| – intangible assets | | 0.1 | 0.7 | 1.1 |
| – securities | | 0.0 | 63.2 | 86.2 |
| – other non-current financial assets | | 116 | 674.0 | 1,055.5 |
| Effect of changes in consolidation scope on cash flow | | 74.9 | (886.1) | (1,887.4) |
| **Net cash flows from investment activities** | | **(1,209.5)** | (1,163.6) | (2,245.0) |
| **Cash flows from financing activities** | | | | |
| Disbursements: | | | | |
| – dividends paid to parent company shareholders | | (4.2) | (4.2) | (4.2) |
| – dividends paid to minority shareholders net of distribution tax | | (591.6) | (565.9) | (651.8) |
| – financial debts repaid | 8.5 | (1,299.0) | (829.2) | (1,899.6) |
| – repayments of lease liabilities | | (147.4) | (142.3) | (296.8) |
| – acquisition of minority interests and treasury shares | | (760.4) | (970.2) | (2,694.6) |
| Income: | | | | |
| – capital increases | | 15.0 | 49.5 | 175.0 |
| – investment subsidies | | 12.7 | 2.3 | 21.9 |
| – increase in financial debts | 8.5 | 570.0 | 2,718.7 | 3,554.6 |
| – disposal to minority interests and disposals of treasury shares | | 2,801.2 | 5.1 | 5.1 |
| – change in liabilities on IFRS 16 leases | | (0.6) | 0.3 | 0.0 |
| Net interest paid on loans | | (47.9) | (79.2) | (147.3) |
| Net interest paid on IFRS 16 leases | | (48.9) | (42.9) | (89.0) |
| **Net cash flows from financing activities** | | **499.0** | 142.0 | (2,026.8) |
| Effect of exchange rate fluctuations | | (37.8) | 6.3 | 8.9 |
| Other | | 2.7 | (0.1) | 0.0 |
| **Net increase (decrease) in cash and cash equivalents** | | **572.9** | (640.3) | (1,687.6) |
| Cash and cash equivalents at the beginning of the period (1) | | 2,740.6 | 4,428.2 | 4,428.2 |
| Cash and cash equivalents at the end of the period (1) | | 3,313.5 | 3,787.9 | 2,740.6 |

(1) See note 8.4 - Cash and cash equivalents and net cash

**Net cash flows from operating activities**

Other income and expenses not affecting cash flow or not related to operating activities mainly comprise reversals in the share of associated companies in the amount of 86.8 million euros (see note 8.2 - Investments accounted for using the equity method), reversals on stock options and bonus share plans in the amount of 27.8 million euros and restatement of financial instruments in the amount of -548.5 million euros including revaluation of securities held by Vivendi (Spotify, Tencent) in the amount of -448.5 million euros.

The working capital requirement (WCR) increased by 321.8 million euros compared with December 2019. The main changes are described below:

- WCR for the communication segment (Vivendi) rose 332.4 million euros due to sustained activity at UMG and Canal+;
- WCR for the oil logistics segment fell 52.3 million euros. In the context of the health crisis, activity in the first half of 2020 was bolstered by the drop in prices for petroleum products compared to 2019. Average customer terms were up by 0.7 days compared with the first half of 2019;
- WCR in the electricity storage and systems segment rose 17.3 million euros, mainly from the Brittany group, with the systems group remaining stable over the period;
- WCR in the transportation and logistics segment deteriorated by 6.6 million euros.

**Net cash flows from investing activities**

Outflows of financial investments are mainly accounted for by the acquisition of investments in Vivendi in the amount of -801.4 million euros and the acquisition of cash management financial assets at Vivendi in the amount of -25.2 million euros.

Proceeds from disposals of assets are mostly due to the disposal of cash management financial assets at Vivendi in the amount of 100.9 million euros.

**Net cash flows from financing activities**

Issue and loan repayment flows are mainly linked to everyday Group financing management at Vivendi level (issues: 248.9 million euros; repayments: -912.5 million euros, including repayment of short-term negotiable securities in the amount of -869.9 million euros) and Bolloré SE (issues: 280.7 million euros; repayments: -287.6 million euros).

Disbursements linked to the acquisition of minority interests relating mainly to the share buyback by Vivendi in the amount of 719.2 million euros. Proceeds from the disposal of minority interests related mainly to the disposal of UMG securities in the amount of 2,838 million euros (see note 1 - Significant Events).

## CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| *(in millions of euros)* | Number of shares excluding treasury shares (2) | Share capital | Share issue premiums | Treasury shares | Share issue premiums | | Translation adjustment | Actuarial (losses) and gains | Reserves | Share holders' equity, Group share | Minority interests | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | recyclable | non-recyclable | | | | | | |
| **Equity as of January 1, 2019** | **4,244,911** | **105.4** | **87.7** | **(169.4)** | **18.3** | **1,042.1** | **(182.8)** | **(59.3)** | **2,900.7** | **3,742.8** | **22,124.1** | **25,866.8** |
| ***Transactions with shareholders*** | **0** | **0.0** | **0.0** | **0.6** | **(0.2)** | **(31.4)** | **(3.4)** | **(0.9)** | **(28.0)** | **(63.3)** | **(2,120.8)** | **(2,184.1)** |
| Dividends distributed | | | | | | | | | (4.2) | (4.2) | (635.9) | (640.2) |
| Share-based payments | | | | | | | | | 4.3 | 4.3 | 15.4 | 19.6 |
| Changes in scope of consolidation (3) | | | | 0.6 | 0.0 | (5.5) | (3.4) | (0.9) | (57.8) | (67.0) | (1,511.6) | (1,578.6) |
| Other changes | | | | | (0.2) | (25.9) | | | 29.7 | 3.7 | 11.3 | 15.0 |
| ***Comprehensive income items*** | | | | | **10.0** | **87.9** | **24.3** | **(6.7)** | **76.6** | **192.1** | **682.4** | **874.4** |
| Net income for the period | | | | | | | | | 76.6 | 76.6 | 449.1 | 525.7 |
| Change in items recyclable through profit and loss | | | | | | | | | | | | |
| Translation adjustment of controlled entities | | | | | | | 18.8 | | | 18.8 | 108.6 | 127.3 |
| Change in fair value of financial instruments of controlled entities (4) | | | | | (2.3) | | | | | (2.3) | (3.6) | (5.9) |
| Other changes in comprehensive income (5) | | | | | 12.3 | | 5.6 | | | 17.9 | 62.1 | 80.0 |
| Change in items that will not be recycled | | | | | | | | | | | | |
| Change in fair value of financial instruments of controlled entities (4) | | | | | | 88.4 | | | | 88.4 | 108.7 | 197.1 |
| Change in fair value of financial instruments of entities accounted for using the equity method (4) | | | | | | (0.5) | | | | (0.5) | (0.5) | (1.0) |
| Actuarial (losses) and gains from controlled entities | | | | | | | | (6.9) | | (6.9) | (43.4) | (50.3) |
| Actuarial (losses) and gains from entities accounted for using the equity method | | | | | | | | 0.2 | | 0.2 | 1.4 | 1.6 |
| **Shareholders' equity as of June 30, 2019** | **4,244,911** | **105.4** | **87.7** | **(168.9)** | **28.2** | **1,098.5** | **(161.8)** | **(66.9)** | **2,949.4** | **3,871.5** | **20,685.6** | **24,557.1** |

| *(in millions of euros)* | Number of shares excl. treasury shares (2) | Share capital | Share issue premiums | Treasury shares | Share issue premiums | | Translation adjustment | Actuarial (losses) and gains | Reserves | Share holders' equity, Group share | Minority interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | recyclable | non-recyclable | | | | | | |
| **Equity as of January 1, 2019 (1)** | **4,244,911** | **105.4** | **87.7** | **(169.4)** | **18.3** | **1,042.1** | **(182.8)** | **(59.3)** | **2,905.6** | **3,747.7** | **22,157.2** | **25,905.0** |
| **Transactions with shareholders** | **0** | **0.0** | **0.0** | **1.0** | **(3.7)** | **(36.9)** | **(8.8)** | **(2.4)** | **(65.8)** | **(116.6)** | **(3,382.0)** | **(3,498.6)** |
| Capital increases | | | | | | | | | | 0.0 | | 0.0 |
| Dividends distributed | | | | | | | | | (4.2) | (4.2) | (675.5) | (679.7) |
| Share-based payments | | | | | | | | | 8.8 | 8.8 | 31.4 | 40.2 |
| Changes in scope of consolidation (3) | | | | 1.0 | (3.6) | (10.6) | (8.6) | (2.7) | (97.4) | (121.9) | (2,748.9) | (2,870.9) |
| Other changes | | | | | (0.1) | (26.3) | (0.1) | 0.3 | 27.0 | 0.7 | 11.1 | 11.8 |
| **Comprehensive income items** | | | | | **29.2** | **13.3** | **49.8** | **(31.3)** | **121.9** | **183.0** | **1,432.2** | **1,615.2** |
| Net income for the period | | | | | | | | | 121.9 | 121.9 | 1,279.7 | 1,401.7 |
| Change in items recyclable through profit and loss | | | | | | | | | | | | |
| Translation adjustment of controlled entities | | | | | | | 44.8 | | | 44.8 | 236.2 | 281.1 |
| Change in fair value of financial instruments of controlled entities (4) | | | | | (0.8) | | | | | (0.8) | (3.8) | (4.7) |
| Other changes in comprehensive income (5) | | | | | 30.1 | | 5.0 | | | 35.0 | 76.7 | 111.8 |
| Change in items that will not be recycled | | | | | | | | | | | | |
| Change in fair value of financial instruments of controlled entities (4) | | | | | | 14.4 | | | | 14.4 | (17.1) | (2.7) |
| Change in fair value of financial instruments of entities accounted for using the equity method (4) | | | | | | (1.1) | | | | (1.1) | (0.9) | (2.0) |
| Actuarial (losses) and gains from controlled entities | | | | | | | | (29.1) | | (29.1) | (131.3) | (160.5) |
| Actuarial (losses) and gains from entities accounted for using the equity method | | | | | | | | (2.1) | | (2.1) | (7.3) | (9.5) |
| **Equity as of December 31, 2019** | **4,244,911** | **105.4** | **87.7** | **(168.4)** | **43.9** | **1,018.5** | **(141.7)** | **(93.0)** | **2,961.7** | **3,814.1** | **20,207.3** | **24,021.5** |
| **Transactions with shareholders** | **0** | **0.0** | **0.0** | **(0.4)** | **(6.1)** | **2.6** | **(19.6)** | **(0.8)** | **204.8** | **180.5** | **1,477.7** | **1,658.2** |
| Capital increases | | | | | | | | | | 0.0 | | 0.0 |
| Dividends distributed | | | | | | | | | (4.2) | (4.2) | (630.4) | (634.6) |
| Share-based payments | | | | | | | | | 5.2 | 5.2 | 22.6 | 27.8 |
| Changes in scope of consolidation (3) | | | | (0.4) | (6.1) | 1.6 | (19.1) | (0.8) | 205.7 | 181.0 | 2,092.9 | 2,273.9 |
| Other changes | | | | | | 1.0 | (0.5) | 0.0 | (2.0) | (1.6) | (7.3) | (8.9) |
| **Comprehensive income items** | | | | | **5.7** | **(339.9)** | **(51.8)** | **4.9** | **83.8** | **(297.3)** | **(244.6)** | **(541.7)** |
| Net income for the period | | | | | | | | | 83.9 | 83.9 | 666.1 | 750.0 |
| Change in items recyclable through profit and loss | | | | | | | | | | | | |
| Translation adjustment of controlled entities | | | | | | | (31.3) | | | (31.3) | (196.4) | (227.7) |
| Change in fair value of financial instruments of controlled entities (4) | | | | | (0.2) | | | | | (0.2) | 2.2 | 2.0 |
| Other changes in comprehensive income (5) | | | | | 5.9 | | (20.5) | | (0.1) | (14.7) | (43.8) | (58.5) |
| Change in items that will not be recycled | | | | | | | | | | | | |
| Change in fair value of financial instruments of controlled entities (4) | | | | | | (339.5) | | | | (339.5) | (686.8) | (1,026.3) |
| Change in fair value of financial instruments of entities accounted for using the equity method (4) | | | | | | (0.4) | | | | (0.4) | (0.3) | (0.7) |
| Actuarial (losses) and gains from controlled entities | | | | | | | | 4.3 | | 4.3 | 11.6 | 15.9 |
| Actuarial (losses) and gains from entities accounted for using the equity method | | | | | | | | 0.6 | | 0.6 | 2.9 | 3.6 |
| **Equity as of June 30, 2020** | **4,244,911** | **105.4** | **87.7** | **(168.9)** | **43.5** | **681.2** | **(213.1)** | **(88.9)** | **3,250.4** | **3,697.3** | **21,440.5** | **25,137.8** |

(1) Linked to the application of IFRS 16
(2) See note 10.1 – Shareholders' equity.
(3) In 2019, mainly share buyback by Vivendi in the amount of (2,673.2) million euros and commitment by Vivendi to buy back shares in the amount of (360.0) million euros.
In 2020, mainly share buyback by Vivendi in the amount of (359.2) million euros and impact of the disposal of 10% of the share capital of UMG in the amount of 2,838 million euros (note 1 - Significant Events).
(4) See note 8.3 – Other financial assets.
(5) Mainly change in comprehensive income from investments in companies accounted for under the equity method: impact of the conversion and the fair value adjustment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## DETAILED TABLE OF CONTENTS OF THE NOTES

Financière de l'Odet SE is a European company governed by the provisions of Council Regulation 2157/2001 of October 8, 2001 on the Statute for a European company, the provisions of Council Directive 2001/86/EC of October 8, 2001, the provisions of the French Commercial Code on corporations in general and European companies in particular. Its registered office is at Odet, 29500 Ergué-Gabéric, France. The administrative headquarters is at 42 avenue de Friedland, 75008 Paris, France. The company is listed on the Paris stock exchange.

Financière de l'Odet SE is consolidated by Bolloré SE and Bolloré Participations SE.

The interim financial statements were drawn up under the responsibility of the Board of Directors meeting on July 31, 2020.

## Note 1 - Significant Events

### Disposal of 10% of the share capital of Universal Music Group

On March 31, 2020, the Group finalized the disposal of 10% of the share capital of Universal Music Group to a consortium led by Tencent, three months after the agreement was signed on December 31, 2019, based on an enterprise value of 30 billion euros for 100% of UMG share capital. This disposal of 10% generated proceeds of 2,838 million euros.

In the Group's consolidated financial statements, pursuant to IFRS 10, this disposal price was recorded directly in equity.

The consortium, led by Tencent, including Tencent Music Entertainment and other joint financial investors, has the option of acquiring up to an additional 10% of UMG's share capital until January 15, 2021, on the same valuation basis. This transaction was accompanied by a separate agreement allowing Tencent Music Entertainment to acquire a minority interest in the UMG subsidiary comprising its Chinese activities.

Following completion of this highly significant strategic transaction, Vivendi intends to pursue the possible sale of additional minority interests in UMG with the assistance of several mandated banks.

An initial public offering is planned for early 2023 at the latest. The Group intends to use the proceeds from these various transactions for substantial Vivendi share buyback transactions and acquisitions.

### Vivendi group share buyback program

On April 20, 2020, the General Meeting of Shareholders of the Vivendi group adopted the following two resolutions relating to share buybacks:

- The renewal of the authorization granted to the Management Board by the General Meeting of Shareholders of April 15, 2019 to buy back shares at a maximum price of 26 euros per share, up to a limit of 10% of the share capital (2020-2021 program), and to cancel the shares acquired within the limit of 10% of the capital.
- The authorization granted to the Management Board to proceed with a normal share buyback offer (OPRA) at a maximum price of 26 euros per share, up to a limit of 30% of the capital (or 20%, depending on the shares repurchased under the new program, which are deducted from this 30% ceiling), and to cancel the shares acquired.

Following the decision by the Management Board of April 27, 2020, and in accordance with the authorization granted by the General Meeting of Shareholders of April 20, 2020, the Vivendi group launched a new share buyback program (2020-2021) in relation to 43.25 million shares, i.e. 3.65% of the capital:

- between April 29 and May 20, 2020, the Vivendi group repurchased 8.25 million shares for 160 million euros, to be used in employee share ownership schemes;
- between June 22 and October 20, 2020, the Vivendi group can repurchase up to 35 million additional shares depending on market conditions, with a view to canceling them.

Between January 1 and June 30, 2020, Vivendi SE repurchased 31 million shares at an average price of 23 euros per share, for a total of 719 million euros. As at June 30, 2020, the Vivendi group held 43 million treasury shares, representing 3.63% of its share capital, of which 19 million shares held for cancellation, 16.5 million shares destined for employee share ownership transactions and 7.5 million shares to cover performance-based share grants.

The implementation of share buyback programs by Vivendi had an impact of -359.2 million euros on Group shareholders' equity.

### Simplified Tender Offer (OPAS) by Bolloré SE on Blue Solutions

Alongside the simplified tender offer (OPAS) on Blue Solutions in 2017 at 17 euros per share, Bolloré SE made the commitment to carry out a new offer in 2020 at the same price.

The offer related to all existing Blue Solutions shares not held by Bolloré SE, representing 22.07% of the share capital. Bolloré SE has indicated its intention to conduct a squeeze-out procedure on Blue Solutions following the offer. Bolloré Participations SE, the Group's holding company, which held 17.60% of Blue Solutions share capital, has indicated that it would tender these to the offer.

The Offer period ran from May 29 to July 8, 2020 and was followed by a squeeze-out procedure, implemented on July 15, 2020.

As at June 30, 2020, the commitment of Bolloré SE to buy back the residual securities not yet held on that date was taken into account, including the stake held by Bolloré Participations SE. This firm commitment to buy back shares for 99.5 million euros was therefore recorded under financial liabilities in the Group's consolidated financial statements.

As at July 15, 2020, all transactions had been completed and Bolloré SE now holds all of the share capital of Blue Solutions.

## Note 2 - Impact of the COVID-19 health crisis

With its vast geographical presence, the Group had to deal successively with the consequences of the current health crisis in the first half of the year, across all its business lines and territories.

Although the impact of the COVID-19 pandemic is higher for some countries than others, the Group has shown resilience and adaptability to continue to serve its customers as best it can, while reducing costs to maintain its margins. Transport and logistics activities benefited from exceptional freight rates, which partly offset the slowdown in usual flows. Communication activities held up well thanks to music and pay TV.

The Group is analyzing the current and potential consequences of the crisis very closely. A review of the value of assets with an indefinite life was conducted. In view of the performance achieved in the first half by the different CGUs, the Group has not identified any signs of impairment requiring full impairment tests to be carried out. This analysis was supplemented by sensitivity tests to assess their resilience, including a review of changes in the financial parameters used in testing (discount rates, peer-group comparisons).

In the first half of 2020, Group net debt fell 1,248 million euros, from 8,781 to 7,533 million euros. The Group also has significant financing capacity. As at June 30, 2020, Group liquidities, lines of credit confirmed but not used and liquid investments amounted to 2.8 billion euros for Financière de l'Odet and 8.2 billion euros including Vivendi.

The Group has few expected loan settlements over the second half of 2020, as just 3% of drawn and undrawn loans fall due this year. In April 2020, the Group renewed 150 million euros in financing for four years and in late March 2020 extended the maturity of its syndicated loan of 1,300 million euros to 2025. As at June 30, 2020, no financing facility presented any increased risk of default relating to compliance with ratios or covenants.

Finally, there is no change to the presentation of the Group's half-year results compared to that retained on December 31, 2019. In this respect, the effects of the health crisis have been factored into the operational performance presented by segment.

## Note 3 - General accounting policies

The accounting principles and methods used to prepare the condensed half-yearly consolidated financial statements are identical to those used by the Group for the consolidated financial statements for the year ended December 31, 2019, prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and described in note 3 – General accounting policies in the notes to the consolidated financial statements for the year ended December 31, 2019, subject to the following:

- application by the Group of the accounting standards or interpretations, set out below in 3.1.1 – IFRS standards, IFRIC interpretations and amendments applied by the Group from January 1, 2020;
- application of the specifics of IAS 34 "Interim Financial Reporting".

In accordance with IAS 34, these financial statements do not include all the notes required in the annual financial statements, but a selection of explanatory notes. They should be read in conjunction with the Group's financial statements for the year ended December 31, 2019.

## 3.1 - Changes in standards

### 3.1.1 - IFRS standards, IFRIC interpretations and amendments applied by the Group from January 1, 2020

| Standards, amendments or interpretations | Dates of adoption by the European Union | Application date set by the European Union: financial years beginning on or after: |
|---|---|---|
| Amendments to IFRS 3 "Definition of a business" | 4/21/2020 | 1/1/2020 |

The application of this amendment, which relates to acquisitions after January 1, 2020, did not have any impact on the financial statements as at June 30, 2020.

**3.1.2** - Accounting standards or interpretations that the Group will apply in the future

The IASB has published standards and interpretations which have not yet been adopted by the European Union as of June 30, 2020; to date, they have not been applied by the Group.

| Standards, amendments or interpretations | Dates of publication by the IASB | Application date set by the IASB: financial years beginning on or after |
|---|---|---|
| COVID-19-related rent concessions (Amendment to IFRS 16) | 5/28/2020 | 6/1/2020 |
| IFRS 3 "Business combinations" | 5/14/2020 | 1/1/2022 |
| IAS 16: "Property, plant and equipment" | 5/14/2020 | 1/1/2022 |
| IAS 37 "Provisions, contingent liabilities and contingent assets" | 5/14/2020 | 1/1/2022 |
| Improvements to IFRS – 2018-2020 cycle | 5/14/2020 | 1/1/2022 |
| IFRS 17 "Insurance contracts" | 6/25/2020 | 1/1/2023 |

Furthermore, as at June 30, 2020, there were no standards published by the IASB and adopted by the European Union whose application date is after January 1, 2020.

## 3.2 - Use of estimates

When preparing the consolidated financial statements in compliance with IAS 34, Management had to use assumptions and estimates to implement accounting principles to measure these assets and liabilities as well as the income and expenses for the period presented.

# Note 4 - Comparability of financial statements

In the absence of significant changes in scope and, aside from the impacts related to the application of new standards (see note 3.1.1 IFRS standards, IFRIC interpretations or amendments applied by the Group from January 1, 2020), the financial statements for the first half of 2020 are comparable with those of the first half of 2019.

## Seasonal Nature of the activity

Revenue and operating income are seasonal, and are presented in comparison with the comparable six-month period and the previous full year.

In accordance with the IFRS accounting principles, revenues are recognized in the same conditions as at the annual closing.

# Note 5 - Consolidation scope

## 5.1 - Main changes in consolidation scope

### 5.1.1 - Changes in consolidation scope in the first half of 2020

Initial consolidation by the Vivendi group

Acquisitions made by the Vivendi group mainly relate to acquisitions by Havas, which is continuing its targeted acquisitions policy and is building up its expertise in certain sectors and in specific geographical areas. The acquisitions include notably that of Gate One in the United Kingdom, a company specializing in business transformation, the Shobiz group, the Indian leader in experiential marketing, and Cicero, a leading consultancy in public affairs and corporate public relations.

**Overall effect of acquisitions over the period**

Total provisional goodwill, including minority interest buyback commitments, relating to acquisitions made over the period, stood at 38.2 million euros and relates mainly to the Vivendi group, primarily the Havas acquisition of Gate One. Work on measuring the fair value of assets and liabilities will be finalized within the one-year period permitted under the standard.

#### 5.1.2 - Changes in consolidation scope in 2019

Initial consolidation by the Vivendi group

Acquisitions made by the Vivendi group include Editis, a French group combining nearly 50 publishing houses acquired by Vivendi on January 31, 2019; the M7 group, one of the leading independent pay-TV operators in Europe, present in Benelux and Central Europe, acquired by Groupe Canal+ on September 12, 2019; and the acquisition by UMG of Ingrooves Music Group, an innovative distribution and musical marketing company that complements its relationships with independent music players globally, on March 15, 2019. In addition, Havas is pursuing its policy of targeted acquisitions and is continuing to strengthen its operations in certain areas of expertise or certain geographies. Acquisitions such as Clicksco, Baltic Media Holding and Buzzman were added its activities.

**Overall effect of acquisitions over the period**

Total provisional goodwill, including commitments to buy out minority interests relating to acquisitions made over the period, stood at 2,069.5 million euros in 2019 and related mainly to the Vivendi group, and chiefly Editis and M7. The task of determining the fair value of assets and liabilities should be finalized within one year in accordance with the standard.

**Follow-up on the acquisition of Editis**

On January 31, 2019, Vivendi completed the acquisition of 100% of the share capital of Antinea 6, the holding company of Editis, the second-largest French publishing group. The purchase price was 829 million euros, including the repayment of the debt of the Editis group on that date. The French Competition Authority had authorized the transaction without conditions on January 2, 2019.

Vivendi fully consolidated Editis as of February 1, 2019. On June 30, 2020, the final goodwill for Editis stood at 827 million euros (unchanged compared to the provisional goodwill as at December 31, 2019).

**Follow-up on the acquisition of M7**

On September 12, 2019, Groupe Canal+ finalized the acquisition of M7, one of Europe's largest independent pay-TV operators, operating in Benelux and Central Europe.

Groupe Canal+ fully consolidated M7 as of September 12, 2019. The purchase price and its allocation will be finalized within twelve months of the date of acquisition, as required by accounting standards. As at June 30, 2020, the provisional goodwill for M7 stood at 997 million euros. The final goodwill could differ significantly from that amount.

#### 5.1.3 - Change in the percentage ownership interest in Vivendi

Following the buyback of treasury shares by Vivendi SE, the group control in Vivendi SE stood at 28.06% at June 30, 2020 (excluding treasury shares). In view of its interest and other facts and circumstances, the Group considers that its control over Vivendi, which began on April 25, 2017, continues.

### 5.2 - Commitments given as part of share dealings

This note should be read in conjunction with the information on commitments given and received at December 31, 2019 as detailed in note 4.2 "Commitments given as part of share dealings" of the notes to the consolidated financial statements for the year ended December 31, 2019.

**Strategic partnership between Groupe Canal+, ITI and TVN**

Canal+ Polska SA (formerly ITI Neovision SA), along with its shareholders and counsel, is currently looking at the exercise by minority shareholders of their liquidity rights with a view to the potential flotation of the company, in line with shareholder agreements. To this end, the company announced on July 15 that it had submitted the prospectus (*document de base*) to the KNF, the Polish Financial Markets Authority, for approval. The conducting of this operation will depend notably on market conditions and on the securing of the usual regulatory approvals. Groupe Canal+ intends to retain its role as the controlling shareholder in Canal+ Polska SA, regardless of a potential flotation.

## Note 6 - Operating data

### 6.1 - Information on operating segments

#### 6.1.1 - Information by operating segment

| *(in millions of euros)* | Transport and logistics | Oil logistics | Communications | Electricity storage and systems | Other activities | Inter-segment eliminations | **Total consolidated** |
|---|---|---|---|---|---|---|---|
| **In June 2020** | | | | | | | |
| *Sale of goods* | *11.9* | *1,009.8* | *3,746.0* | *98.0* | *8.9* | *0.0* | *4,874.6* |
| *Provision of services* | *2,802.6* | *15.8* | *3,823.6* | *20.6* | *3.6* | *0.0* | *6,666.2* |
| *Income from associated activities* | *42.0* | *20.9* | *4.2* | *3.7* | *0.6* | *0.0* | *71.4* |
| External revenue | 2,856.5 | 1,046.4 | 7,573.8 | 122.3 | 13.1 | 0.0 | 11,612.2 |
| Inter-segment revenue | 16.5 | 0.7 | 1.9 | 5.3 | 29.3 | (53.7) | 0.0 |
| **Revenue** | **2,873.0** | **1,047.2** | **7,575.7** | **127.6** | **42.4** | **(53.7)** | **11,612.2** |
| Net depreciation, amortization and provision expense | (143.5) | (6.0) | (627.4) | (18.6) | (5.6) | 0.0 | (801.0) |
| **Net operating income by segment (1)** | **267.7** | **35.3** | **540.9** | **(66.7)** | **(28.4)** | **0.0** | **748.8** |
| **Tangible and intangible capital expenditure** | **113.6** | **3.7** | **436.5** | **20.7** | **6.6** | **0.0** | **581.2** |
| *Of which IFRS 16 impact* | *26.7* | *0.2* | *77.2* | *1.5* | *1.5* | *0.0* | *107.1* |
| In June 2019 | | | | | | | |
| *Sale of goods* | *10.0* | *1,234.6* | *3,552.2* | *112.3* | *8.5* | *0.0* | *4,917.5* |
| *Provision of services* | *2,931.3* | *21.1* | *3,795.5* | *43.4* | *7.7* | *0.0* | *6,799.0* |
| *Income from associated activities* | *33.2* | *22.2* | *3.2* | *4.0* | *0.5* | *0.0* | *63.2* |
| External revenue | 2,974.4 | 1,277.9 | 7,350.9 | 159.7 | 16.8 | 0.0 | 11,779.7 |
| Inter-segment revenue | 14.7 | 0.9 | 2.4 | 4.6 | 30.0 | (52.7) | 0.0 |
| Revenue | 2,989.1 | 1,278.8 | 7,353.3 | 164.3 | 46.8 | (52.7) | 11,779.7 |
| Net depreciation, amortization and provision expense | (137.4) | (8.4) | (487.9) | (37.5) | (7.2) | 0.0 | (678.3) |
| **Net operating income by segment (1)** | **284.3** | **24.7** | **531.2** | **(81.1)** | **(28.0)** | **0.0** | **731.2** |
| **Tangible and intangible capital expenditure** | **143.5** | **8.8** | **521.4** | **45.9** | **2.3** | **0.0** | **721.9** |
| *Of which IFRS 16 impact* | *13.3* | *0.0* | *207.1* | *2.5* | *0.0* | *0.0* | *222.9* |
| In December 2019 | | | | | | | |
| Sale of goods | 32.6 | 2,559.1 | 7,937.0 | 240.2 | 16.7 | 0.0 | 10,785.7 |
| Provision of services | 5,851.4 | 45.8 | 7,942.5 | 81.1 | 15.2 | 0.0 | 13,936.0 |
| Income from associated activities | 55.0 | 45.3 | 11.4 | 8.1 | 1.3 | 0.0 | 121.1 |
| External revenue | 5,939.0 | 2,650.2 | 15,890.9 | 329.5 | 33.2 | 0.0 | 24,842.8 |
| Inter-segment revenue | 31.6 | 2.0 | 6.6 | 9.8 | 61.9 | (111.8) | 0.0 |
| Revenue | 5,970.6 | 2,652.2 | 15,897.5 | 339.2 | 95.0 | (111.8) | 24,842.8 |
| Net depreciation, amortization and provision expense | (285.7) | (20.6) | (1,141.4) | (301.2) | (62.3) | 0.0 | (1,811.2) |
| **Net operating income by segment (1)** | **580.4** | **56.3** | **1,151.0** | **(434.1)** | **(97.9)** | **0.0** | **1,255.7** |
| **Tangible and intangible capital expenditure** | **312.6** | **15.1** | **1,230.3** | **102.6** | **6.8** | **0.0** | **1,667.4** |
| *Of which IFRS 16 impact* | *54.8* | *0.1* | *265.3* | *5.6* | *0.0* | *0.0* | *325.7* |

(1) Before Bolloré trademark fees.

### 6.1.2 - Information by geographic area

| *(in millions of euros)* | France and overseas departments, regions and communities | Europe excluding France | Africa | Americas | Asia-Pacific | **Total** |
|---|---|---|---|---|---|---|
| **In June 2020** | | | | | | |
| Revenue | 4,016.0 | 2,332.1 | 1,349.6 | 2,677.8 | 1,236.7 | **11,612.2** |
| Other intangible assets | 3,494.6 | 998.8 | 1,063.5 | 5,028.9 | 30.6 | **10,616.3** |
| Property, plant and equipment | 1,531.4 | 776.5 | 790.9 | 744.9 | 403.6 | **4,247.3** |
| Tangible and intangible capital expenditure | 245.4 | 65.5 | 50.0 | 169.5 | 50.8 | **581.2** |
| In June 2019 | | | | | | |
| Revenue | 4,360.3 | 2,354.7 | 1,513.8 | 2,367.2 | 1,183.7 | 11,779.7 |
| Other intangible assets | 3,543.3 | 522.0 | 1,111.7 | 5,067.8 | 33.6 | 10,278.3 |
| Property, plant and equipment | 1,744.9 | 765.1 | 838.1 | 711.4 | 383.0 | 4,442.5 |
| Tangible and intangible capital expenditure | 385.1 | 75.3 | 50.3 | 78.0 | 133.2 | 721.9 |
| In December 2019 | | | | | | |
| Revenue | 8,807.9 | 5,023.5 | 3,018.3 | 5,464.4 | 2,528.7 | 24,842.8 |
| Other intangible assets | 3,579.1 | 1,027.5 | 1,089.0 | 5,103.0 | 33.1 | 10,831.6 |
| Property, plant and equipment | 1,527.5 | 827.0 | 824.6 | 751.1 | 404.5 | 4,334.8 |
| Tangible and intangible capital expenditure | 674.5 | 375.3 | 134.8 | 253.6 | 229.1 | 1,667.3 |

Revenue by geographical area shows the distribution of products according to the country in which they are sold.

## 6.2 - Main changes at constant scope and exchange rates

The table below shows the impact of changes in consolidation scope and exchange rates on the key figures, with the 2019 data being reworked at the 2020 consolidation scope and exchange rates.

Where reference has been made to data at constant scope and exchange rates, this means that the impact of changes in the exchange rate and changes in scope (acquisitions or disposals of shareholding in a company, change in percentage of integration, change in consolidation method) have been restated.

| *(in millions of euros)* | **June 2020** | June 2019 | Changes in scope of consolidation (1) | Exchange rate changes (2) | June 2019 at constant scope and exchange rates |
|---|---|---|---|---|---|
| Revenue | 11,612.2 | 11,779.7 | 263.4 | 37.2 | 12,080.3 |
| EBIT | 748.8 | 731.2 | 33.9 | 3.7 | 768.9 |

(1) Changes in the scope of consolidation relate mainly to the impact of the acquisition of M7 by Groupe Canal+ in the second half of 2019.
(2) Foreign exchange variations on revenue and operating income relate mainly to change in the value of the euro against the US dollar.

## 6.3 - Operating income

| *(in millions of euros)* | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|
| Revenue | 11,612.2 | 11,779.7 | 24,842.8 |
| Goods and services bought in: | (7,677.7) | (8,034.7) | (16,882.4) |
| *- Purchases and external charges* | *(7,595.7)* | *(7,941.7)* | *(16,711.7)* |
| *- Leases and rental expenses(1)* | *(82.0)* | *(92.9)* | *(170.7)* |
| Personnel costs | (2,417.8) | (2,353.6) | (4,889.8) |
| Depreciation and provisions (2) | (801.0) | (678.3) | (1,811.2) |
| Other operating income (*) | 109.9 | 67.5 | 98.6 |
| Other operating expenses (*) | (80.7) | (55.1) | (125.6) |
| Share in net income of operating companies accounted for using the equity method (3) | 3.9 | 5.7 | 23.4 |
| **EBIT** | **748.8** | 731.2 | 1,255.7 |

(1) These are leases excluded from the scope of IFRS 16.
(2) Including, in 2019, 220.4 million euros relating to the impairment of IT2 technology batteries and other car-sharing assets given the outlook for that activity.
(3) See note 8.2 – Investments in companies accounted for under the equity method.

* Details of other operating income and expenses:

| *(in millions of euros)* | **June 2020** | | | June 2019 | | |
|---|---|---|---|---|---|---|
| | **Total** | Operating income | Operating expenses | Total | Operating income | Operating expenses |
| Capital gains (losses) on the disposal of non-current assets | (7.9) | 4.3 | (12.2) | (1.0) | 11.0 | (12.0) |
| Currency translation gains and losses net of hedging | 12.9 | 58.2 | (45.3) | 1.1 | 14.0 | (12.9) |
| Research Tax Credit | 11.4 | 11.4 | 0.0 | 17.2 | 17.2 | 0.0 |
| Other | 12.8 | 36.0 | (23.2) | (4.9) | 25.3 | (30.2) |
| **Other operating income and expenses** | **29.2** | **109.9** | **(80.7)** | 12.4 | 67.5 | (55.1) |

| *(in millions of euros)* | December 2019 | | |
|---|---|---|---|
| | Total | Operating income | Operating expenses |
| Capital gains (losses) on the disposal of non-current assets | (15.8) | 21.1 | (36.9) |
| Currency translation gains and losses net of hedging | (1.3) | 24.7 | (26.0) |
| Research Tax Credit (1) | (16.8) | (16.8) | 0.0 |
| Other | 6.9 | 69.6 | (62.7) |
| **Other operating income and expenses** | (27.0) | 98.6 | (125.6) |

(1) Relates mainly to Bluecar in 2019

## 6.4 - Leases

The Group has applied the new IFRS 16 – Leases since January 1, 2019. In accordance with the provisions of the standard, the impact of the change has been recognized in the opening balance sheet as of January 1, 2019. The Group has also applied the change in the 2019 balance sheet, income statement and cash flow statement. For detailed information, please refer to note 5.11 Leases in the notes to the consolidated financial statements for the year ended December 31, 2019 in the 2019 Financial report.

#### 6.4.1 - Lease-related right-of-use assets

As at June 30, 2020, net total lease-related right-of-use assets stood at 1,664.8 million euros (1,740.7 million euros at December 31, 2019) after deduction of depreciation and impairment in the amount of 1,045.6 million euros at June 30, 2020 (947.6 million euros at December 31, 2019). These right-of-use assets relate to real estate leases.

| | 6/30/2020 | | | 12/31/2019 | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross value | Depreciation, amortization and impairment | Net value | Gross value | Depreciation, amortization and impairment | Net value |
| Right-of-use assets on concessions | 358.6 | (144.6) | 213.9 | 357.3 | (139.2) | 218.1 |
| Right-of-use assets on PP&E | 2,351.9 | (901.0) | 1,450.9 | 2,331.0 | (808.4) | 1,522.6 |
| **Total** | **2,710.5** | **(1,045.6)** | **1,664.8** | 2,688.3 | (947.6) | 1,740.7 |

**Change in right-of-use assets**

| **Net values** *(in millions of euros)* | At 12/31/2019 | Acquisitions (gross) | Disposals NBV | Net allowances | Change in scope | Foreign exchange fluctuations | Other movements | **At 6/30/2020** |
|---|---|---|---|---|---|---|---|---|
| Right-of-use assets on concessions | 218.1 | 3.1 | 0.0 | (6.5) | 0.0 | (0.9) | 0.1 | 213.9 |
| Right-of-use assets on PP&E | 1,522.6 | 104.0 | (2.7) | (146.2) | 0.0 | (27.6) | 0.8 | 1,450.9 |
| **Net values** | 1,740.7 | 107.1 | (2.7) | (152.7) | 0.0 | (28.5) | 0.9 | **1,664.8** |

#### 6.4.2 - Lease liabilities

**Maturity of lease liabilities**

The maturity of lease liabilities is based on assumptions made in conjunction with the first-time application of IFRS 16.

| **At June 30, 2020** *(in millions of euros)* | Total | Total due within 1 year | 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Debt related to concession agreements | 1,674.5 | 283.0 | 759.5 | 632.0 |
| Liability related to leases of PP&E | 381.0 | 8.0 | 90.0 | 283.0 |
| **Total lease liabilities** | **2,055.5** | **291.0** | **849.5** | **915.0** |

#### 6.4.3 - Expense on lease liabilities

The expense on lease liabilities recognized in the income statement stood at 203.9 million euros in the first half of 2020 (190.3 million euros at June 30, 2019).

## Note 7 - Property, plant and equipment, intangible assets and concession contracts

### 7.1 - Goodwill

#### 7.1.1 - Change in goodwill

| *(in millions of euros)* | |
|---|---|
| **At December 31, 2019** | **16,699.8** |
| Acquisitions of controlling interests (1) | 33.5 |
| Disposals | 0.0 |
| Impairment loss | 0.0 |
| Foreign exchange fluctuations (2) | (136.1) |
| Other | (6.5) |
| **At June 30, 2020** | **16,590.7** |

(1) Relating to takeovers within the Vivendi group - See note 5 - Consolidation scope.

(2) Mainly includes translation differences for the US dollar vs. the euro for the Vivendi group (Universal Music Group).

### 7.1.2 - Information by operating segment

| *(in millions of euros)* | **6/30/2020** | 12/31/2019 |
|---|---|---|
| Communications | 15,566.7 | 15,668.4 |
| Transport and logistics | 884.3 | 891.9 |
| Oil Logistics | 87.0 | 86.9 |
| Electricity storage and systems | 46.5 | 46.4 |
| Other activities | 6.2 | 6.2 |
| **Total** | **16,590.7** | 16,699.8 |

In accordance with IAS 36 "Impairment of assets", goodwill is tested for impairment every year and whenever there is an objective indication of impairment.

The government measures implemented from March 2020 to combat the COVID-19 pandemic in the main territories where the Group operates, particularly the lockdown measures and the closure of some retail outlets, slowed or brought to a halt certain activities, which weighed on the operational performance of some Group entities in the first half of 2020.

As at June 30, 2020, the Group reviewed the items that could potentially indicate a drop in the recoverable amount of CGUs or groups of CGUs in the first half of 2020. In particular, the Group analyzed the performance of CGUs and groups of CGUs compared to the estimates used in late 2019. The Group also analyzed changes in financial parameters since December 31, 2019 (similar discount rates).

Notwithstanding the uncertainties created by the COVID-19 pandemic, on June 30, 2020, Group Management concluded that there were no items indicating a drop in the recoverable value of CGUs or groups of CGUs compared to December 31, 2019 based on the sensitivity tests conducted. The Group is also set to conduct the annual review of the book value of goodwill and other intangible assets in the fourth quarter of 2020.

## 7.2 - Other intangible assets

### 7.2.1 - Composition

| | **6/30/2020** | | | 12/31/2019 | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross value | Depreciation, amortization and impairment | Net value | Gross value | Depreciation, amortization and impairment | Net value |
| Content assets (1) | 20,625.5 | (15,011.9) | 5,613.6 | 20,651.5 | (14,931.6) | 5,719.9 |
| Trademarks, brand names (2) | 2,330.6 | (74.0) | 2,256.6 | 2,341.9 | (75.7) | 2,266.2 |
| Client relationships | 1,784.9 | (611.8) | 1,173.1 | 1,786.1 | (538.9) | 1,247.2 |
| Intangible assets arising from concessions (3) | 909.5 | (197.3) | 712.2 | 910.7 | (183.9) | 726.8 |
| Operating rights, patents, development costs | 1,178.2 | (858.0) | 320.2 | 1,131.5 | (813.6) | 317.9 |
| Right-of-use assets on intangible assets (4) | 358.6 | (144.6) | 213.9 | 357.3 | (139.2) | 218.1 |
| Other | 827.5 | (500.9) | 326.7 | 817.5 | (481.9) | 335.6 |
| **Total** | **28,014.8** | **(17,398.5)** | **10,616.3** | 27,996.4 | (17,164.8) | 10,831.6 |

(1) Correspond to Vivendi content assets and mainly relate to musical rights and catalogs and the cost of films and television programs.
(2) Correspond notably to the brands identified on Canal+ Group.
(3) Classification, in accordance with IFRIC 12, of infrastructure reverting to the grantor at the end of the contract as intangible assets from concessions, for concessions recognized in accordance with this interpretation.
(4) See note 6.4 – Leases.

### 7.2.2 - Change in net position in the first half of 2020

| **Net values** *(in millions of euros)* | At 12/31/2019 | Acquisitions (gross) | Disposals NBV | Net allowances | Change in scope | Currency fluctuations | Other movements | **At 6/30/2020** |
|---|---|---|---|---|---|---|---|---|
| Content assets | 5,719.9 | 150.5 | 0.0 | (208.1) | 0.4 | (69.9) | 20.8 | 5,613.6 |
| Trademarks, brand names | 2,266.2 | 0.1 | 0.0 | (0.1) | 0.1 | (9.7) | 0.0 | 2,256.6 |
| Client relationships | 1,247.2 | 0.0 | 0.0 | (68.7) | 0.0 | (5.7) | 0.3 | 1,173.1 |
| Intangible assets arising from concessions | 726.8 | 0.2 | 0.0 | (13.6) | 0.0 | (1.4) | 0.2 | 712.2 |
| Operating rights, patents, development costs | 317.9 | 9.4 | 0.0 | (38.7) | 0.1 | (0.9) | 32.4 | 320.2 |
| Right-of-use assets on intangible assets (1) | 218.1 | 3.1 | 0.0 | (6.5) | 0.0 | (0.9) | 0.0 | 213.9 |
| Other | 335.6 | 64.1 | (0.1) | (32.6) | (1.3) | (0.5) | (38.4) | 326.7 |
| **Net values** | 10,831.6 | 227.4 | (0.1) | (368.3) | (0.7) | (89.0) | 15.2 | **10,616.3** |

(1) See note 6.4 – Leases.

## 7.3 - Property, plant and equipment

### 7.3.1 - Composition

| *(in millions of euros)* | **6/30/2020** | | | 12/31/2019 | | |
|---|---|---|---|---|---|---|
| | Gross value | Depreciation, amortization and impairment | Net value | Gross value | Depreciation, amortization and impairment | Net value |
| Land and fixtures and fittings | 229.2 | (14.1) | 215.1 | 229.4 | (13.3) | 216.1 |
| Buildings and fitting-out | 2,006.8 | (994.6) | 1,012.2 | 2,022.7 | (966.5) | 1,056.2 |
| Plant and equipment | 3,703.0 | (2,789.4) | 913.6 | 3,637.8 | (2,740.1) | 897.7 |
| Right-of-use assets on PP&E (1) | 2,351.9 | (901.0) | 1,450.9 | 2,331.0 | (808.4) | 1,522.6 |
| Other (2) | 1,819.9 | (1,164.5) | 655.4 | 1,781.1 | (1,138.7) | 642.4 |
| **Total** | **10,110.9** | **(5,863.6)** | **4,247.3** | 10,001.9 | (5,667.0) | 4,334.8 |

(1) See note 6.4 – Leases.
(2) Including assets in progress.

### 7.3.2 - Change in net position in the first half of 2020

| **Net values** *(in millions of euros)* | At 12/31/2019 | Acquisitions (gross) | Disposals NBV | Net allowances | Change in scope | Currency fluctuations | Other movements | **At 6/30/2020** |
|---|---|---|---|---|---|---|---|---|
| Land and fixtures and fittings | 216.1 | 0.1 | 0.0 | (0.9) | 0.0 | (1.1) | 0.9 | 215.1 |
| Buildings and fitting-out | 1,056.2 | 8.2 | (1.7) | (40.5) | (0.1) | (13.4) | 3.5 | 1,012.2 |
| Plant and equipment | 897.7 | 119.7 | (1.8) | (119.5) | 2.2 | (12.2) | 27.5 | 913.6 |
| Right-of-use assets on PP&E (1) | 1,522.6 | 104.0 | (2.7) | (146.2) | 0.8 | (27.6) | 0.0 | 1,450.9 |
| Other (2) | 642.4 | 121.9 | (5.9) | (64.2) | 0.4 | (8.1) | (31.0) | 655.4 |
| **Net values** | 4,334.8 | 353.9 | (12.1) | (371.2) | 3.3 | (62.4) | 1.0 | **4,247.3** |

(1) See note 6.4 – Leases
(2) Including assets in progress.

Capital expenditure is listed by operating segment in note 6.1 – Information on operating segments.

## 7.4 - Concession contracts

### 7.4.1 - Information on concessions

This note supplements the information relating to concession agreements as of December 31, 2019, as provided in note 6.4. "Concessions" in the notes to the consolidated financial statements for the year ended December 31, 2019.

There were no substantial amendments to concession agreements during the first half of 2020.

### 7.4.2 - Commitments given under concessions

This note supplements the information on commitments given and received as of December 31, 2019, as described in note 6.4.3 "Commitments given under concessions" in the notes to the consolidated financial statements for the year ended December 31, 2019.

The Group did not enter into any significant new commitments in the first half of 2020.

## Note 8 - Financial structure and financial expense

### 8.1 - Financial income

| *(in millions of euros)* | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|
| Net financing expenses | (51.9) | (65.2) | (129.4) |
| *- Interest expenses* | *(72.5)* | *(92.2)* | *(182.4)* |
| *- Income from financial receivables* | *19.3* | *25.7* | *50.9* |
| *- Other earnings* | *1.3* | *1.3* | *2.2* |
| Other financial income (*) | 711.6 | 326.4 | 533.4 |
| Other financial expenses (*) | (215.3) | (221.8) | (390.6) |
| **Financial income** | **444.4** | 39.4 | 13.4 |

* Details of other financial income and expense:

| *(in millions of euros)* | **June 2020** | | | June 2019 | | |
|---|---|---|---|---|---|---|
| | **Total** | Financial income | Financial expenses | Total | Financial income | Financial expenses |
| Income from securities and short-term investments | 14.2 | 14.2 | 0.0 | 17.0 | 17.0 | 0.0 |
| Disposals of equity investments and marketable securities (1) | 0.0 | 0.1 | (0.1) | (0.3) | 89.0 | (89.3) |
| Effect of changes in consolidation scope (2) | 0.9 | 91.7 | (90.8) | (4.9) | 0.0 | (4.9) |
| Changes in financial provisions | (7.4) | 3.5 | (10.9) | (15.7) | 8.8 | (24.5) |
| Fair value adjustment of financial assets (3) | 548.5 | 559.5 | (11.0) | 175.5 | 175.5 | 0.0 |
| Interest expense in respect of lease liabilities (4) | (46.6) | 0.0 | (46.6) | (44.6) | 0.0 | (44.6) |
| Other (5) | (13.3) | 42.6 | (55.9) | (22.4) | 36.1 | (58.5) |
| **Other financial income and expenses** | **496.3** | **711.6** | **(215.3)** | 104.6 | 326.4 | (221.8) |

(1) At June 30, 2019, this included the disposal of various securities classified at fair value through equity, with no impact on profit or loss.
(2) At June 30, 2020, mainly includes the disposal of 10 million Mediobanca securities.
(3) Including the restatement, between January 1 and June 30, 2020, of the stake in Spotify and Tencent in the amount of 449 million euros (against 155 million euros at June 2019), and the impact of the change in fair value of optional forward sales of Mediobanca securities in the amount of 109 million euros (see note 8.2 Investments in equity affiliates).
In the first half of 2019, this included the impact of the change in fair value of Vivendi stock options in the amount of 20.3 million euros.
(4) Including interest expenses on IFRS 16 lease liabilities.
(5) Other financial income and expenses notably include gains and losses net of hedging on financial items.

| | December 2019 | | |
|---|---|---|---|
| *(in millions of euros)* | **Total** | Financial income | Financial expenses |
| Income from securities and short-term investments | 20.8 | 20.8 | 0.0 |
| Disposals of equity investments and marketable securities (1) | 0.0 | 116.5 | (116.5) |
| Effect of changes in consolidation scope (2) | 111.2 | 127.7 | (16.5) |
| Changes in financial provisions | (16.4) | 20.5 | (36.9) |
| Fair value adjustment of financial assets (3) | 172.9 | 177.3 | (4.4) |
| Interest expense in respect of lease liabilities (4) | (92.1) | 0.0 | (92.1) |
| Other (5) | (53.7) | 70.5 | (124.2) |
| **Other financial income and expenses** | 142.8 | 533.4 | (390.6) |

(1) Including, in the year ended December 31, 2019, the disposal of securities classified at fair value through equity, with no impact on profit or loss.
(2) Including at December 31, 2019 the effects of disposals entailing changes in the scope of consolidation, particularly Wifirst.
(3) Including the restatement, between January 1 and December 31, 2019, of the stake in Spotify and Tencent in the amount of 139 million euros and the impact of the change in fair value of Vivendi stock options in the amount of 20.3 million euros.
(4) Interest expenses on lease liabilities come from the treatment of lease liabilities, applied for the first-time in fiscal year 2019.
(5) Other financial income and expenses notably include foreign exchange gains and losses on financial items net of hedging in the amount of (17.2) million euros in 2019.

## 8.2 - Investments in equity affiliates

| *(in millions of euros)* | |
|---|---|
| **At December 31, 2019** | **4,581.9** |
| Changes in the consolidation scope (1) | (84.8) |
| Share in net income from operating companies accounted for using the equity method | 3.9 |
| Share in net income from non-operating companies accounted for using the equity method | (90.7) |
| Other movements (2) | (100.5) |
| **At June 30, 2020** | **4,309.8** |

(1) Of which (92.6) million euros relating to the disposal of Mediobanca securities in the first half of 2020.
(2) Of which (138.1) million euros in goodwill and 77.4 million euros in changes in the fair value of reserves.

### Consolidated value of the main companies accounted for using the equity method

Information has been categorized by operating segment.

| **At June 30, 2020** *(in millions of euros)* | Share in net income of from operating companies accounted for using the equity method | Share in net income from non-operating companies accounted for using the equity method | Equity value |
|---|---|---|---|
| **Entities under significant influence** | | | |
| Entities accounted for using the equity method at Vivendi (*) | (18.3) | 63.5 | 3,569.0 |
| *Telecom Italia* | | *63.5* | *3,127.1* |
| *Other* | *(18.3)* | | *441.9* |
| Mediobanca (**) | | (160.5) | 317.5 |
| Other | (1.1) | 6.3 | 202.4 |
| **Sub-total entities under significant influence** | **(19.4)** | **(90.7)** | **4,088.9** |
| **Joint ventures** | **23.3** | **0.0** | **220.9** |
| **TOTAL** | **3.9** | **(90.7)** | **4,309.8** |

| At December 31, 2019<br>*(in millions of euros)* | Share of Net income from operating companies accounted for using the equity method | Share of Net income from non-operating companies accounted for using the equity method | Equity value |
|---|---|---|---|
| **Entities under significant influence** | | | |
| Entities accounted for using the equity method at Vivendi(*) | 4.2 | 57.4 | 3,582.7 |
| *Telecom Italia* | | *66.5* | *3,140.0* |
| *Other* | *4.2* | *(9.1)* | *442.7* |
| Mediobanca(**) | | 34.2 | 585.8 |
| Other | 3.0 | 6.5 | 212.7 |
| **Sub-total entities under significant influence** | **7.2** | **98.0** | **4,381.2** |
| **Joint ventures** | **16.2** | **0.0** | **200.7** |
| TOTAL | 23.4 | 98.0 | 4,581.9 |

**(*) Entities accounted for using the equity method at Vivendi Telecom Italia**

As of June 30, 2020, unchanged from December 31, 2019, the Group held, through Vivendi, 3,640 million ordinary shares of Telecom Italia, representing 23.94% of the voting rights and 17.15% of the total capital of Telecom Italia, taking into account non-voting preferred shares.

As of June 30, 2020, the Group believes it still has the power to participate in Telecom Italia's financial and operating policy decisions, particularly in view of the 23.94% voting rights it holds, and therefore considers that it exercises significant influence on Telecom Italia.

***Value of shareholding in Telecom Italia as of June 30, 2020***

As of June 30, 2020, the value of Telecom Italia shares accounted for using the equity method was 3,127.1 million euros after taking into account the share of net income for the period and changes in other comprehensive income. At that date, the market value of the investment was 1,273 million euros, based on a share price of 0.35 euro per ordinary share.

For the record, the value of Telecom Italia securities in the Group's financial statements was measured at fair value on Vivendi's acquisition of control on April 26, 2017, in accordance with the standards in force. It is lower than the average purchase price of securities by Vivendi.

At June 30, 2020, Vivendi satisfied itself that there was no evidence that its holding in Telecom Italia had lost value in the first half of 2020. The Group concluded that there were no items indicating a drop in the value of its shareholding compared to December 31, 2019.

The Group will review the value of its shareholding in Telecom Italia during the fourth quarter of 2020.

**Financial information of Telecom Italia at 100% ownership used in the preparation of the Group's financial statements**

The main aggregates of the consolidated financial statements as published by Telecom Italia are as follows:

| *(in millions of euros)* | *Quarterly financial statements as at March 31, 2020*<br>*3 months* | *Annual financial statements as at December 31, 2019*<br>*12 months* |
|---|---|---|
| Non-current assets | 58,482 | 55,996 |
| Current assets | 9,513 | 14,108 |
| Total assets | 67,995 | 70, 104 |
| Equity | 22,011 | 22,626 |
| Non-current liabilities | 35,166 | 35,550 |
| Current liabilities | 10,818 | 11,928 |
| Total liabilities | 67,995 | 70, 104 |
| *Of which net financial debt (1)* | *26,569* | *28, 246* |
| Revenue | 3,964 | 17,974 |
| EBITDA(1) | 1,735 | 8,151 |
| Net income, Group share: | 560 | 916 |
| Comprehensive income, Group share | 331 | 916 |

(1) Not strictly accounting measures, as published by Telecom Italia (Alternative Performance Measures).

*Share in net income*

Vivendi relies on the public financial information of Telecom Italia to account for its shareholding in Telecom Italia by the equity method. Given the respective dates of publication of the financial statements of Vivendi and Telecom Italia, Vivendi always recognizes its share in the net income of Telecom Italia with a lag of one quarter. Thus, over the first half of 2020, Vivendi results include its share in the net income of Telecom Italia for the fourth quarter of 2019 and the first quarter of 2020 in the total amount of 64 million euros. These amounts are carried in the financial statements of the Financière de l'Odet.

**(**) Mediobanca**

Mediobanca is a listed company which publishes financial statements in compliance with the IFRS system.

After disposing of 10 million Mediobanca securities covered by forward sales in January 2020 in the amount of 90.8 million euros, the Group held at June 30, 2020 5.6% of the total capital of Mediobanca via its subsidiary Financière du Perguet, representing 5.8% excluding treasury shares (compared 6.7% and 6.9% respectively at December 31, 2019).

The Group hedged 30.9 million Mediobanca securities through optional forward sales which the Group can choose to settle in shares or via payment of the difference, maturing no later than the first quarter of 2021. The fair value of these derivatives stood at 106 million euros at June 30, 2020 (compared with -4.4 million euros at December 31, 2019). As at June 30, 2020, 13.8 million Mediobanca shares were pledged in relation to these transactions. The Group retains full ownership of all its Mediobanca securities throughout the period of the transactions.

The Group remains the second-largest Mediobanca shareholder and still has two representatives on the Mediobanca Board of Directors, who also sit on all the bank's supervisory committees. Given the extent of the Group's shareholding in Mediobanca (second-largest shareholder), and the Group's representation on the governance bodies of Mediobanca, the Group considers that it still has significant influence as at June 30, 2020.

The value in use of the shareholding in Mediobanca was recalculated as at June 30, 2020. It is determined on the basis of an analysis of various criteria including the market value for listed securities, discounted future cash flows and comparable listed companies. It is lower than the valuation based on the stock market price at that date. The recoverable value as at June 30, 2020 is therefore based on the stock market price at June 30, 2020, i.e. 6.39 euros. Thus, as at June 30, 2020, the share of income recognized for Mediobanca, including impairment, comes to -160.5 million euros.

## 8.3 - Other financial assets

| **At June 30, 2020** *(in millions of euros)* | Gross value | Provisions | Net value (1) | of which non-current | including current |
|---|---|---|---|---|---|
| Financial assets at fair value through other comprehensive income | | | 3,121.9 | 3,121.9 | 0.0 |
| Financial assets at fair value through profit or loss | | | 1,944.9 | 1,706.8 | 238.0 |
| Financial assets at amortized cost | 550.6 | (191.9) | 358.7 | 287.7 | 71.1 |
| **Total** | | | **5,425.5** | **5,116.4** | **309.1** |

(1) Net other financial assets notably include listed and unlisted equity investments in the amount of 4,796.6 million euros, derivative assets in the amount of 108.8 million euros, cash management financial assets in the amount of 125.2 million euros and financial assets at amortized cost in the amount of 358.7 million euros.

| At December 31, 2019 *(in millions of euros)* | **Gross value** | **Provisions** | **Net value (1)** | **of which non-current** | **including current** |
|---|---|---|---|---|---|
| Financial assets at fair value through other comprehensive income | | | 3,349.1 | 3,349.1 | 0.0 |
| Assets at fair value through profit and loss | | | 1,292.7 | 1,082.1 | 210.6 |
| Financial assets at amortized cost | 488.9 | (184.5) | 304.4 | 280.5 | 23.9 |
| **Total** | | | **4,946.2** | **4,711.7** | **234.5** |

(1) Net other financial assets notably include listed and unlisted equity investments in the amount of 4,392.4 million euros, derivative assets in the amount of 8.9 million euros, cash management financial assets in the amount of 204.1 million euros and financial assets at amortized cost in the amount of 304.4 million euros.

### * Breakdown of changes over the period

| *(in millions of euros)* | As at 2019 Net value | Change in scope | Acquisitions (1) | Disposals (2) | Change in fair value (3) | Other movements | **At 6/30/2020** Net value |
|---|---|---|---|---|---|---|---|
| Financial assets at fair value through other comprehensive income | 3, 349.1 | (0.2) | 809.5 | (0.5) | (1,020.3) | (15.7) | 3,121.9 |
| Financial assets at fair value through profit or loss | 1, 292.7 | 0.0 | 26.8 | (100.9) | 546.8 | 179.5 | 1,944.9 |
| Financial assets at amortized cost | 304.4 | 0.1 | 76.5 | (19.8) | 0.0 | (2.5) | 358.7 |
| **Total** | 4, 946.2 | (0.1) | 912.8 | (121.2) | (473.5) | 161.3 | **5,425.5** |

(1) Notably includes the acquisition by Vivendi of 25,154 thousand Lagardère securities during the second quarter of 2020, representing 19.18% of share capital and 14.49% of voting rights as at June 30, 2020.

(2) The disposal of financial assets at fair value through profit or loss relates essentially to the sale of cash management financial assets in the amount of -100.9 million euros.

(3) The change in the fair value of financial assets through equity mainly includes -471.5 million euros relating to the Group's shareholdings, and -366 million euros relating to Mediaset. The change in fair value of financial assets through profit or loss relates essentially to the shareholdings in Spotify and Tencent Music in the amount of 449 million and derivatives, notably including the fair value of optional forward sales of Mediobanca shares.

### Portfolio of listed and unlisted securities

Breakdown of main shares:

| *(in millions of euros)* | **At 6/30/2020** | | At 12/31/2019 | |
|---|---|---|---|---|
| Companies | Percentage holding | Net value | Percentage holding | Net value |
| Mediaset | 28.80 | 538.6 | 28.80 | 905.1 |
| Lagardère | 19.18 | 318.7 | | |
| Other listed shares | | 2,040.7 | | 1,103.1 |
| ***Subtotal, listed securities*** | | **2,898.0** | | **2,008.2** |
| Sofibol | 48.95 | 985.2 | 48.95 | 1,250.3 |
| Financière V | 49.69 | 512.9 | 49.69 | 650.1 |
| Omnium Bolloré | 49.84 | 259.1 | 49.84 | 328.3 |
| Other unlisted securities | | 141.5 | | 155.6 |
| ***Subtotal, unlisted securities*** | | **1,898.6** | | **2,384.2** |
| **Total** | | **4,796.6** | | 4,392.4 |

Listed securities are valued at market price (see note 9.1 – Information on risk). Unlisted securities include mainly of the Group's stakes in Omnium Bolloré, Sofibol and Financière V, all intermediate holding companies controlled by the Group.

- Sofibol, Financière V, Omnium Bolloré

The Financière de l'Odet Group directly and indirectly owns shares in Sofibol, Financière V and Omnium Bolloré, all intermediate holding companies controlled by the Group.

* Sofibol, controlled by Vincent Bolloré, is 51.05% owned by Financière V, 35.93% owned by Bolloré SE and 13.01% owned by Compagnie Saint-Gabriel, itself a 99.99% subsidiary of Bolloré SE.
* Financière V, controlled by Vincent Bolloré, is 50.31% owned by Omnium Bolloré, 22.81% owned by Compagnie du Cambodge, 10.50% owned by Financière Moncey, 10.25% owned by Bolloré SE, 4% owned by Société Industrielle et Financière de l'Artois, 1.68% owned by Compagnie des Tramways de Rouen and 0.45% owned by Société des Chemins de Fer et Tramways du Var et du Gard.
* Omnium Bolloré, controlled by Vincent Bolloré, is 50.04% owned by Bolloré Participations SE, 27.92% owned by African Investment Company (controlled by Bolloré SE), 17.10% owned by Financière Moncey, 4.82% owned by Bolloré SE and 0.11% owned by Vincent Bolloré.

- Despite its shareholdings in Sofibol (48.95%), Financière V (49.69%) and Omnium Bolloré (49.84%), the Financière de l'Odet Group does not exert significant influence over them, since the shares have no voting rights attached, due to the direct and indirect control these companies have over the Financière de l'Odet Group.

The valuation of these securities is based on the market price of the Financière de l'Odet SE securities and includes a discount reflecting the lesser liquidity of these securities, using a valuation model called the "Protective Put" (Chaffe model). This valuation resulted in the recognition of a discount of 14.1% as at June 30, 2020.

All listed securities are classified in level 1 of the IFRS 13 fair value hierarchy. Unlisted securities valued at fair value are classified in level 2 or 3.

The partnership agreement concluded between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. On April 9, 2018, in accordance with the undertakings made to AGCOM, Vivendi transferred the fraction of its voting rights in excess of 10% to an independent Italian trust company. See note 11.2 – Litigation in progress.

## 8.4 - Cash and cash equivalents and net cash

| | At 6/30/2020 | | | At 12/31/2019 | | |
|---|---|---|---|---|---|---|
| *(in millions of euros)* | Gross value | Provisions | Net value | Gross value | Provisions | Net value |
| Cash | 1,651.7 | 0.0 | 1,651.7 | 1,190.1 | 0.0 | 1,190.1 |
| Cash equivalents | 1,904.2 | 0.0 | 1,904.2 | 1,753.2 | 0.0 | 1,753.2 |
| Cash management agreements - assets (1) | 3.2 | 0.0 | 3.2 | 0.0 | 0.0 | 0.0 |
| **Cash and cash equivalents** | **3,559.2** | **0.0** | **3,559.2** | **2,943.3** | **0.0** | **2,943.3** |
| Cash management agreements - liabilities (1) | (5.1) | 0.0 | (5.1) | (13.6) | 0.0 | (13.6) |
| Current bank facilities | (240.6) | 0.0 | (240.6) | (189.1) | 0.0 | (189.1) |
| **Net cash** | **3,313.5** | **0.0** | **3,313.5** | 2,740.6 | 0.0 | 2,740.6 |

(1) The cash management agreements affecting the consolidated balance sheet are those between companies which have shared ownership links but where one of them is not included within the Group's consolidation scope but within a wider scope.

The shared financial interests of these companies have led them to examine ways of enabling them to improve the terms under which they meet their cash requirements or use their surpluses so as to optimize cash flow.

These current transactions are cash transactions conducted under market conditions and are by nature backup credits.

Net cash includes cash and cash equivalents of Vivendi in the amount of 2,374 million euros at June 30, 2020 (notably including term deposits and interest-bearing current accounts in the amount of 2,023 million euros).

Cash and cash equivalents are classed at level 1 in the IFRS 13 fair value hierarchy except for term deposits maturing in less than three months, which are classified at level 2 (as at December 31, 2019).

## 8.5 - Financial debt

### 8.5.1 - Net financial debt

| *(in millions of euros)* | At 6/30/2020 | of which current | of which non-current | At 12/31/2019 | of which current | of which non-current |
|---|---|---|---|---|---|---|
| Bond loans | 6,415.6 | 1,435.7 | 4,979.9 | 6,405.9 | 430.9 | 5,975.1 |
| Loans from credit institutions | 4,520.6 | 1,393.1 | 3,127.5 | 5,262.3 | 1,847.5 | 3,414.8 |
| Other borrowings and similar debts | 273.1 | 246.4 | 26.7 | 251.4 | 221.5 | 29.8 |
| Liability derivatives (1) | 8.0 | 0.0 | 8.0 | 8.5 | 0.0 | 8.5 |
| **Gross financial debt** | **11,217.3** | **3,075.2** | **8,142.1** | 11,928.1 | 2,499.9 | 9,428.2 |
| Cash and cash equivalents (2) | (3,559.2) | (3,559.2) | 0.0 | (2,943.3) | (2,943.3) | 0.0 |
| Cash management financial assets (3) | (125.2) | (125.2) | 0.0 | (204.1) | (204.1) | 0.0 |
| Asset derivatives (1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net financial debt** | **7,532.9** | **(609.2)** | **8,142.1** | 8,780.7 | (647.5) | 9,428.2 |

(1) See section "Net debt asset and liability derivatives" below.
(2) See 8.4 – Cash and cash equivalents and net cash.
(3) Cash management financial assets are short-term investments that do not satisfy the criteria of IAS 7, as well as money market funds that do not satisfy the specifications of AMF position no. 2011-13. As at June 30, 2020, they represented Vivendi's financial assets in a total amount of 125.2 million euros, mainly as term deposits.

### Main characteristics of the items in financial debt

#### Liabilities at amortized cost

Bond loans

| *(in millions of euros)* | 6/30/2020 | 12/31/2019 |
|---|---|---|
| Bonds issued by Bolloré (1) | 964.4 | 962.3 |
| Bonds issued by Havas (2) | 404.7 | 400.2 |
| Bonds issued by Vivendi (3) | 5,046.5 | 5,043.4 |
| **Bond loans** | **6,415.6** | 6,405.9 |

(1) Issued by Bolloré:
On January 25, 2017, Bolloré issued a bond in a total par value of 500 million euros, due in 2022, with an annual coupon of 2.00%.
On July 29, 2015, Bolloré issued a bond with a total par value of 450 million euros, maturing in July 2021, with an annual coupon of 2.875%.
The accrued interest on these bonds totaled 20,2 million euros as of June 30, 2020.

(2) Issued by Havas:
On December 8, 2015, Havas SA issued a bond with a total par value of 400 million euros, maturing in 2020, with an annual coupon of 1.875%.

(3) Issued by Vivendi:

In June 2019, Vivendi issued a bond with a total par value of 2,100 million euros, consisting of three tranches of 700 million euros each, maturing in 2022, 2025 and 2028, with annual coupons of 0.000%, 0.625% and 1.125% respectively.

In September 2017, Vivendi issued a bond with a total par value of 850 million euros, maturing in September 2024, with an annual coupon of 0.875%.

In November 2016, Vivendi issued a bond with a total nominal value of 600 million euros, maturing in November 2023, with an annual coupon of 1.125%.

In May 2016, Vivendi issued a bond with a total par value of 500 million euros, maturing in May 2026, with an annual coupon of 1.875%.

In May 2016, Vivendi issued a bond with a total par value of 1,000 million euros, maturing in May 2021, with an annual coupon of 0.75%.

Accrued interest on bonds issued by the Vivendi group stood at 22 million euros as at June 30, 2020.

## Loans from credit institutions

| *(in millions of euros)* | **6/30/2020** | 12/31/2019 |
|---|---|---|
| Loans from credit institutions * | 4,520.6 | 5,262.3 |

* Of which 400.0 million euros as of June 30, 2020, and December 31, 2019, under a variable rate credit agreement maturing in 2023. Interest rate hedges that swapped the original interest rate for a fixed rate that can be classified as hedges were set up for this loan.

* Of which 152.8 million euros at June 30, 2020 and 162.8 million euros at December 31, 2019 under a receivables factoring program.

* Of which 323 million euros of short-term negotiable security drawdowns at Bolloré SE as of June 30, 2020 (492.5 million euros as of December 31, 2019) under a program capped at 900.0 million euros.

* Of which 60 million euros of short-term negotiable security drawdowns at Financière de l'Odet SE as of June 30, 2020, (50 million euros as of December 31, 2019) under a program capped at 400.0 million euros.

* As at December 31, 2019, this included 870.0 million euros of short-term negotiable security drawdowns at Vivendi SE as part of a program capped at 3,400.0 million euros. These securities were fully repaid at June 30, 2020.

* Of which 2,633.7 million euros as of June 30, 2020, and December 31, 2019, in financing backed by Vivendi securities maturing in 2020, 2021, 2022 and 2024. As at June 30, 2020, 165,145,362 Vivendi securities were pledged. They may be the subject of margin calls in the event that the Vivendi share price falls but they do not include any hard triggers.

## Other borrowings and similar debts

| *(in millions of euros)* | **6/30/2020** | 12/31/2019 |
|---|---|---|
| Other borrowings and similar debts (1) | 273.1 | 251.4 |

(1) As of June 30, 2020, primarily including current bank facilities in the amount of 240.6 million euros (of which 11 million euros at Vivendi), compared with 189.1 million euros (of which 18 million euros at Vivendi) as of December 31, 2019.

## Net debt asset and liability derivatives

| *(in millions of euros)* | **6/30/2020** | 12/31/2019 |
|---|---|---|
| Non-current asset derivatives (1) | 0.0 | 0.0 |
| Current asset derivatives (1) | 0.0 | 0.0 |
| **Total asset derivatives** | **0.0** | 0.0 |
| Non-current liability derivatives | 8.0 | 8.5 |
| **Total liability derivatives** | **8.0** | 8.5 |

(1) Included under "Other financial assets", see note 8.3.

## Nature and fair value of financial derivatives in net debt

| Nature of instrument | Risk hedged | Company | Maturity | Total notional amount (in thousands of currency) | **Fair value of instruments at June 30, 2020 (in millions of euros)** | Fair value of financial instruments at December 31, 2019 (in millions of euros) |
|---|---|---|---|---|---|---|
| Interest rate swaps (1) | Interest rate | Bolloré SE | 2023 | €400,000 | (5.4) | (6.0) |
| Interest rate swaps (2) | Interest rate | DRPC (3) | 2028 | €70,000 | (2.6) | (2.4) |

(1) Interest rate swap (variable rate/fixed rate) qualifying for hedge accounting, contracted in 2016.
(2) Interest rate swap (variable rate/fixed rate) qualifying for hedge accounting, contracted in 2018.
(3) Dépôt Rouen Petit-Couronne.

Income and expenditure posted in the income statement for the period for these financial liabilities are presented in note 8.1 - Financial income.

All derivatives are classified at level 2 in the IFRS 13 fair value hierarchy (as at December 31, 2019).

#### 8.5.2 - Change in gross financial debt

| *(in millions of euros)* | At 12/31/2019 | Loans taken out | Loans repaid | Other changes in cash (1) | "Non-cash" changes: Change in consolidation scope | "Non-cash" changes: Other movements (2) | **At 6/30/2020** |
|---|---|---|---|---|---|---|---|
| Other bond loan issues | 6,405.9 | 1.1 | 0.2 | 0.0 | 0.0 | 8.4 | 6,415.6 |
| Loans from credit institutions | 5,262.3 | 566.9 | (1,282.8) | 0.0 | 0.6 | (26.4) | 4,520.6 |
| Other borrowings and similar debts | 251.4 | 2.0 | (16.4) | 51.4 | 0.0 | (15.3) | 273.1 |
| Liability derivatives (3) | 8.5 | 0.0 | 0.0 | 0.0 | 0.0 | (0.5) | 8.0 |
| **Gross financial debt** | **11,928.1** | **570.0** | **(1,299.0)** | **51.4** | **0.6** | **(33.8)** | **11,217.3** |

(1) Mainly involves the change in current bank facilities and cash agreement liabilities included in net cash (see note 8.4 – Cash and cash equivalents and net cash).
(2) Including change in exchange rates and change in accrued interest on borrowings.
(3) See note 8.5.1 Net financial debt, paragraph "Net debt asset and liability derivatives"

## Note 9 - Information relating to market risk

### 9.1 - Information on risk

This note updates the information provided in note 8.1 - Information on risk in the notes to consolidated financial statements in the 2019 financial report.

**Main risks concerning the Group**

#### Risk associated with listed shares

The Financière de l'Odet Group, which held a securities portfolio valued at 4,796.6 million euros as of June 30, 2020, is exposed to market price fluctuations.

The Group's equity investments in non-consolidated companies are measured at fair value at year end in accordance with IFRS 9 "Financial instruments" and are classified as financial assets (see note 8.3 – Other financial assets).

As far as shares in listed companies are concerned, this fair value is the closing stock market value.

As of June 30, 2020, revaluations of equity investments in the consolidated balance sheet determined on the basis of stock market prices amounted to 1,098.2 million euros before tax.

As of June 30, 2020, a 1% variation in stock market prices would have an impact of 41.8 million euros on equity investments, of which 11.6 million euros impacting profit or loss and 30.2 million euros impacting pre-tax other comprehensive income, including 17.6 million euros for revaluations of the Group's shareholdings in Omnium Bolloré, Financière V and Sofibol.

These unlisted securities, either directly or indirectly owned by Omnium Bolloré, Financière V and Sofibol, whose value is dependent on the valuation of Bolloré and Financière de l'Odet SE securities, are also impacted by fluctuations in market prices (see note 8.3 – Other financial assets). As of June 30, 2020, the revalued amount of these securities was 1,757.2 million euros, on a gross value of 183.9 million euros. The shares of these unlisted companies are not very liquid.

#### Liquidity risk

The Group's liquidity risk stems from obligations to repay its debt and from the need for future financing in connection with the development of its various lines of business. To deal with liquidity risk, the Group's strategy has been to maintain a level of unused credit lines that will allow it to deal at any point with cash requirements. As of June 30, 2020, the amount of confirmed and unused credit lines was 6,083 million euros (of which 3,719 million euros for Vivendi). Additionally, the Group strives to diversify its sources of financing by using the bond market, the banking market and over-the-counter financing (Neu CP)

For the Financière de l'Odet Group's main syndicated bank financing facilities as of June 30, 2020:

- Bolloré SE has a revolving credit line of 1,300 million euros, undrawn as of June 30, 2020, maturing in 2025, and drawn credit of 400 million euros maturing in 2023. They are subject to a gearing covenant that caps the net debt to equity ratio at 1.75;
- Vivendi SE has a credit line of 2,200 million euros maturing on January 16, 2025, undrawn as of June 30, 2020. This credit line is not subject to compliance with financial ratios.

The bonds issued by Bolloré in 2015 (450 million euros due in 2021) and 2017 (500 million euros due in 2022) are subject to the usual clauses in the event of default, restrictions in terms of collateral and changes in control but not to any early redemption clause in the event of a failure to satisfy a financial ratio.

Bonds issued by Vivendi are subject the usual default, negative pledge and pari passu clauses. Moreover, the bonds issued by Vivendi contain an early redemption clause in the event of a change in control (this clause excludes the change in control in favor of the Bolloré Group for the bonds issued in May and November 2016), which would apply if, following any such event, Vivendi SE's long-term rating were to drop below investment grade (Baa3/BBB-).

As of July 27, 2020, when the Vivendi Management Board met to approve the financial statements for the six months to June 30, 2020, Vivendi's ratings were as follows:

| Rating agency | Type of debt | Ratings | Outlook |
|---|---|---|---|
| Standard & Poor's | Senior unsecured debt | BBB | Stable |
| Moody's | Senior unsecured long-term debt | Baa2 | Stable |

Some other lines may have early repayment covenants connected with respect of financial ratios, generally involving gearing ratios (net debt to shareholders' equity) and/or debt service coverage. These bank covenants and financial ratios were all met as of June 30, 2020, and December 31, 2019.

The portion due in less than one year of loans used as of June 30, 2020 includes 323 million euros of short-term negotiable securities at Bolloré SE and 60 million euros at Financière de l'Odet SE out of a program capped at 5,200 million euros (of which 3,900 million euros for Vivendi) and 153 million euros in receivables.

All bank lines of credit, both drawn and undrawn, are repayable as follows:

- 2020 3%
- 2021 17%
- 2022 12%
- 2023 11%
- 2024 22%
- 2025 26%
- beyond 2025 9%

### Interest rate risk

Because of its financial debt, the Group is exposed to changes over time in interest rates in the eurozone, primarily on the portion of debt which is at variable rates, as well as to changes in the lending margins of credit institutions. To deal with this risk, Executive management may decide to set up interest rate hedges. Firm hedging (rate swap, FRA) may be used to manage the interest rate risk on the Group's debt.

Note 8.5 – Financial debt describes the various derivative instruments for hedging the Group's interest rate risk.

As of June 30, 2020, after hedging, fixed-rate gross financial debt amounted to 50% of total debt.

If interest rates were to rise uniformly by 1%, the cost of gross debt would increase by 56.4 million euros after hedging on interest-bearing gross debt.

After hedging, net financial debt at fixed rates amounts to 74% of total net debt; if interest rates were to rise uniformly by 1%, the cost of net debt would increase by 19.4 million euros after hedging of net interest-bearing debt.

### Investment and counterparty risk

Surplus cash is invested in a prudent manner in low-risk liquid products with counterparties with a high credit rating.

### Currency risk

For the Financière de l'Odet Group, the breakdown of revenue by currency area (44% in euros, 20% in US dollars, 7% in CFA francs and less than 3% for all other currencies) and the fact a large proportion of operating expenses is in local currencies limit its exposure to operating currency risk.

The Group is reducing its exposure to currency risk further by hedging its main operations in currencies other than the euro and the CFA franc with large international banks. The management of currency risk is largely centralized in Bolloré SE and Vivendi SE for subsidiaries which are attached to them directly.

## 9.2 - Derivative financial instruments

**Balance sheet value**

| *(in millions of euros)* | **6/30/2020** | 12/31/2019 |
|---|---|---|
| Other non-current financial assets | 1.0 | 7.5 |
| Trade receivables and other debtors (1) | 19.2 | 23.6 |
| Other current financial assets (1) (2) | 107.7 | 1.4 |
| **Total asset derivatives, excluding financial debt** | **127.9** | **32.5** |
| Other non-current liabilities | 0.0 | 0.0 |
| Trade and other payables (1) | 12.4 | 9.7 |
| Other current liabilities (1) | 1.8 | 10.4 |
| **Total liability derivatives, excluding financial debt** | **14.2** | **20.1** |

(1) Derivatives purchased for the management of currency risk, mainly within the Vivendi group.
(2) Essentially includes forward sales of Mediobanca shares (see note 8.2 Investments in equity affiliates).

# Note 10 - Shareholders' equity and earnings per share

## 10.1 - Equity

### 10.1.1 - Change in capital

As of June 30, 2020, the consolidated shareholders' equity of Financière de l'Odet SE was 105,375,480 euros, divided into 6,585,990 fully paid up ordinary shares with a par value of 16 euros each. During the first half of the year, the weighted average number of ordinary shares outstanding was 4,244,911.

There was no change in the share capital of the parent company during the first half of 2020.

Transactions that affect or could affect the share capital of Financière de l'Odet SE are subject to agreement by the General Meeting of Shareholders.

The Group monitors, in particular, changes in the net debt/total shareholders' equity ratio.

The net debt used is presented in note 8.5 – Financial debt.

The shareholders' equity used is that shown in the schedule of changes in shareholders' equity in the financial statements.

### 10.1.2- Dividends paid out by the parent company

The total amount of dividends granted by the parent company in the half-year in respect of 2019 was 6.6 million euros, or 1 euro per share.

### 10.1.3- Treasury shares

As of June 30, 2020, the number of treasury shares held by Financière de l'Odet SE and its subsidiaries was 2,341,079 shares.

## 10.2 - Earnings per share

The table below gives a breakdown of the details used to calculate the basic and diluted earnings per share shown at the bottom of the income statement.

| *(in millions of euros)* | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|
| Net income, Group share, used to calculate earnings per share – basic | 83.9 | 76.6 | 121.9 |
| Net income, Group share, used to calculate earnings per share – diluted | 83.9 | 76.6 | 121.9 |
| **Number of shares issued** | **6,585,990** | **6,585,990** | **6,585,990** |
| Number of treasury shares | (2,341,079) | (2,341,079) | (2,341,079) |
| **Number of shares outstanding (excluding treasury shares)** | **4,244,911** | **4,244,911** | **4,244,911** |
| **Number of shares issued and potential shares (excluding treasury shares)** | **4,244,911** | **4,244,911** | **4,244,911** |
| **Weighted average number of shares outstanding (excluding treasury shares) – basic** | **4,244,911** | **4,244,911** | **4,244,911** |
| **Weighted average number of shares outstanding and potential shares (excluding treasury shares) – after dilution** | **4,244,911** | **4,244,911** | **4,244,911** |

## Note 11 - Provisions and litigation

### 11.1 - Provisions

| *(in millions of euros)* | **At 6/30/2020** | **of which current** | **of which non-current** | At 12/31/2019 | of which current | of which non-current |
|---|---|---|---|---|---|---|
| Provisions for litigation | 335.1 | 214.3 | 120.8 | 337.4 | 208.3 | 129.1 |
| Provisions for subsidiary contingencies | 6.1 | 0.0 | 6.1 | 5.3 | 0.0 | 5.3 |
| Other provisions for contingencies | 546.7 | 226.5 | 320.2 | 559.9 | 170.1 | 389.8 |
| Contractual obligations | 6.4 | 0.0 | 6.4 | 7.5 | 0.0 | 7.5 |
| Restructuring | 132.9 | 119.1 | 13.8 | 121.1 | 102.4 | 18.7 |
| Environmental provisions | 2.6 | 0.8 | 1.8 | 4.2 | 0.9 | 3.3 |
| Other provisions for charges | 20.8 | 15.9 | 4.9 | 20.6 | 15.9 | 4.7 |
| Employee benefit obligations | 1,016.0 | 0.0 | 1,016.0 | 1,041.0 | 0.0 | 1,041.0 |
| **Provisions** | **2,066.6** | **576.6** | **1,490.0** | 2,097.0 | 497.6 | 1,599.4 |

Breakdown of changes over the period

| *(in millions of euros)* | As of 12/31/2019 | Increase | Decreases | | Changes in scope | Other movements | Foreign exchange fluctuations | **As of 6/30/2020** |
|---|---|---|---|---|---|---|---|---|
| | | | used | unused | | | | |
| Provisions for litigation (1) | 337.4 | 22.8 | (11.7) | (6.2) | 0.3 | (1.4) | (6.1) | 335.1 |
| Provisions for subsidiary contingencies | 5.3 | 0.1 | 0.0 | 0.0 | 0.0 | 0.7 | 0.0 | 6.1 |
| Other provisions for contingencies | 559.9 | 117.2 | (40.6) | (71.8) | (3.8) | (4.1) | (10.0) | 546.7 |
| Contractual obligations | 7.5 | 0.5 | 0.0 | (1.7) | 0.0 | 0.1 | 0.0 | 6.4 |
| Restructuring operations (2) | 121.1 | 33.2 | (22.2) | (3.9) | 0.0 | 4.9 | (0.2) | 133.0 |
| Environmental provisions | 4.2 | 0.0 | (1.5) | (0.1) | 0.0 | (0.0) | 0.0 | 2.6 |
| Other provisions for charges | 20.6 | 1.4 | (0.8) | (0.2) | 0.0 | (0.1) | (0.1) | 20.7 |
| Employee benefit obligations (3) | 1,041.0 | 29.5 | (39.2) | 0.0 | 0.0 | (9.3) | (6.0) | 1,016.0 |
| **Total** | 2,097.0 | 204.7 | (116.0) | (83.9) | (3.5) | (9.2) | (22.4) | **2,066.6** |

(1) Including 286.4 million euros as of June 30, 2020 for litigation involving Vivendi. See note 11.2 – Litigation in progress.
(2) Of which 125.6 million euros relating to Vivendi (of which 112 million euros for Groupe Canal+ compared with 97 million euros at December 31, 2019, and 10 million euros for UMG compared with 13 million euros at December 31, 2019).
(3) Employee benefit commitments were updated as of June 30, 2020, by extrapolating the calculations performed as of December 31, 2019. The demographic data as of December 31, 2019, were updated to reflect retirements expected in 2020. Exchange rates and discount rates were updated, the other assumptions were retained.

### 11.2 - Litigation in progress

In the normal course of their activities, Financière de l'Odet SE and its subsidiaries are party to a number of legal, administrative, or arbitration proceedings.

The potential costs of these proceedings are the subject of provisions insofar as they are probable and quantifiable. The provisioned amounts are subject to a risk assessment on a case-by-case basis.

The litigation to which the Group or its affiliates are party (as plaintiff or defendant) is set out in the 2019 financial report: note 10.2 to the consolidated financial statements for the year ended December 31, 2019. The following paragraphs are an update as at July 31, 2020, the date of the Board of Directors' meeting called to approve the financial statements for the first half ended on June 30, 2020.

To the best of the Company's knowledge, there are no other lawsuits, arbitration proceedings, governmental or legal proceedings or exceptional events (including any action of which the issuer has knowledge, and any currently suspended or threatened actions), that are likely to have or have had in recent months a significant impact on the financial position, income, activity or assets of the Company and the Group other than those described below.

#### LBBW et al. versus Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, Ireland, Italy, Sweden, Belgium and Austria sued Vivendi in the Paris Commercial Court for alleged damages resulting from four financial releases in October and December 2000, September 2001 and April 2002. On April 5 and April 23, 2012, two similar suits were filed against

Vivendi: one by an American pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. On August 8, 2012, the British Columbia Investment Management Corporation also sued Vivendi on the same grounds. On January 7, 2015, the Paris Commercial Court appointed a third party responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. As this party completed their mission during the first half of 2018, the substantive proceedings are pending.

### California State Teachers Retirement System et al. versus Vivendi

On April 27, 2012, 67 foreign institutional investors sued Vivendi in the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communication of Vivendi between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 further parties joined the action. In November 2012 and March 2014, twelve plaintiffs withdrew. On January 7, 2015, the Paris Commercial Court appointed a third party responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. As this party completed their mission during the first half of 2018, the substantive proceedings are pending. The Court deferred the case until September 8, 2020 for setting of the hearing date, which should take place at the end of 2020.

### Mediaset versus Vivendi

On April 8, 2016, Vivendi signed a strategic partnership agreement with Mediaset. The agreement entailed swapping 3.5% of Vivendi's share capital for 3.5% of Mediaset's and 100% of pay-TV subsidiary Mediaset Premium's share capital.

Vivendi's acquisition of Mediaset Premium was based on financial assumptions submitted by Mediaset to Vivendi in March 2016, which had raised a number of questions at Vivendi, which were notified to Mediaset. The April 8 agreement subsequently underwent due diligence (realized for Vivendi by Deloitte) as provided for in the contract. This audit and Vivendi's analyses showed that the figures provided by Mediaset prior to the agreement being signed were unrealistic and calculated on an artificially inflated base.

Vivendi and Mediaset began talks on how they might structure an alternative deal to the April 8 agreement, which were broken off by Mediaset on July 26, 2016, when it publicly rejected Vivendi's proposal. This had proposed that, in exchange for a 3.5% stake in Vivendi, Vivendi would take 20% of Mediaset Premium and 3.5% of Mediaset, with the balance made up by the issue to Vivendi of Mediaset bonds convertible to Mediaset shares.

Subsequently, Mediaset and its RTI subsidiary, on the one hand, and Fininvest, Mediaset's controlling shareholder, on the other, sued Vivendi in August 2016 before the Milan Civil Court in a bid to enforce the implementation of the April 8, 2016 agreement and the related shareholders' agreement, together with the payment of damages for the alleged loss suffered. The plaintiffs claimed in particular that Vivendi failed to file notice of the transaction with the European competition authorities, thus blocking the fulfillment of the final condition precedent that would allow the deal to go ahead. Vivendi in turn contends that it completed the pre-notification process to the European Commission on time, but that the Commission would not formally take receipt of the documentation in the absence of agreement between the parties on their differences.

In the first hearing in the case, the judge invited the parties to try and reach an amicable settlement. On May 3, 2017, the parties therefore began a mediation procedure before the Milan National and International Arbitration Chamber.

Despite this mediation process, Mediaset, RTI and Fininvest filed another suit against Vivendi on June 9, 2017, seeking 2 billion euros in damages for Mediaset and RTI and 1 billion euros for Fininvest, accusing Vivendi of the acquisition of Mediaset shares in the last quarter of 2016. According to the plaintiffs (who unsuccessfully requested that this proceeding be joined to the earlier two), this transaction violates the April 8, 2016 agreement and breaches Italian media and competition regulations. In this new suit, they are also asking that Vivendi sells its Mediaset shares, whose purchase reportedly violates regulations and the April 8, 2016 agreement. Ultimately the plaintiffs are requesting that Vivendi be no longer entitled to the rights (including voting rights) conferred by said Mediaset shares.

On February 27, 2018, the Court ruled an end to the mediation. At the hearing of December 4, 2018, Fininvest, RTI and Mediaset dropped, as regards their first writ, their application for enforcement of the agreement of April 8, 2016, while maintaining their claim for compensation for damages for losses allegedly suffered in the amount of (i) 720 million euros relating to Mediaset and RTI for failure to enforce the agreement of April 8, 2016 and (ii) 1.3 billion euros relating to Fininvest, for failure to enforce the above-mentioned shareholder agreement, for damages relating to changes in the Mediaset share price between July 26 and August 2, 2016 and various damages relating to allegedly illegal purchases of Mediaset shares by Vivendi at the end of 2016. Fininvest also claims compensation for damage to its decision-making procedures and to its image, in an amount to be determined by the court.

At the hearing of March 12, 2019, Vivendi asked the Court to suspend part of the proceedings pending the decision of the Court of Justice of the European Union on the analysis of the compatibility of Italy's law for the protection of media pluralism (Tusmar law) with the Treaty on the Functioning of the European Union (see below). The request was granted.

### Other procedures related to Vivendi's purchase of Mediaset share capital

During November and December 2016, Vivendi began to buy up Mediaset shares on the market, ultimately raising its stake to 28.80%. Fininvest states that it has filed a complaint for market manipulation against Vivendi with the Milan Prosecutor's Office and Consob, the Italian market regulator.

Meanwhile, on December 21, 2016, AGCOM (the Italian communication regulator) launched an inquiry into whether Vivendi's increased stake in Mediaset and its position as a shareholder in Telecom Italia were incompatible under Italian media sector regulations.

On April 18, 2017, AGCOM ruled that Vivendi had failed to comply with these regulations. Vivendi, which had 12 months to comply, appealed against this decision before the Administrative Court of Lazio. Pending this judgment in this appeal, AGCOM has noted the compliance plan proposed by Vivendi setting out the procedures by which it would bring itself into compliance with the ruling. On April 9, 2018, in accordance with the undertakings made to AGCOM, Vivendi transferred the fraction of its Mediaset shares in excess of 10% of the voting rights to an independent trust company, Simon Fiduciaria SpA. On November 5, 2018 the Administrative Court of Lazio decided to suspend its ruling and to refer to the Court of Justice of the European Union the analysis of the compatibility of the Italian regime of article 43 of the TUSMAR Law as applied by AGCOM, with the principles of the free movement of goods found in the Treaty on the Functioning of the European Union. On December 18, 2019, the Advocate General at the Court of Justice of the European Union (CJEU) issued findings favorable to Vivendi's position (not binding on the Court), noting that Italian regulations constitute an obstacle disproportionate to the freedom of establishment in relation to the objective of protecting the pluralism of information. The CJEU's decision is expected on September 3, 2020, following which the Italian court will rule.

### Procedures related to change in the structure of Mediaset

On July 2, 2019, Vivendi brought Mediaset and Fininvest before the Milan Civil Court seeking (i) to annul the April 18, 2019 resolution of Mediaset's Board of Directors preventing Vivendi from exercising the voting rights to the shares not transferred to Simon Fiduciaria following the AGCOM decision of April 18, 2017 (representing 9.61% of the share capital and 9.9% of the voting rights) at the Extraordinary General Meeting of Mediaset of the same day, and (ii) to cancel the resolution approved by that Meeting to establish a system of double voting rights following a period of two years for shareholders so requesting.

On June 7, 2019, Mediaset announced plans to create MediaforEurope (MFE), a holding company headquartered in the Netherlands, resulting from the merger of Mediaset SpA and Mediaset España. The proposed merger was approved by the General Meeting of Shareholders of the Italian and Spanish companies on September 4, 2019, and then again by the General Meeting of Shareholders of Mediaset SpA and Mediaset España (following the actions filed by Vivendi) on January 10 and February 5, 2020, respectively. At the two meetings held in Italy, Simon Fiduciaria was deprived of its voting rights by the Mediaset Board of Directors, prompting Vivendi to take legal action in Spain, Italy and the Netherlands:

On September 16, 2019, Vivendi applied to the Commercial Court of Madrid in summary proceedings, seeking suspension of the resolution authorizing the creation of MFE adopted by the General Meeting of Shareholders of Mediaset España on September 4, 2019 and launched substantive proceedings seeking to have this resolution canceled. On October 10, 2019, the Madrid court granted Vivendi's application in summary proceedings. Mediaset appealed. On February 14, 2020, the Madrid Court of Appeal (Audiencia Provincial de Madrid) dismissed the appeal lodged by Mediaset España in respect of the decision of October 10, 2019.

On March 5, 2020, Mediaset España requested the suspension of the decision following the General Meeting of Shareholders of Mediaset España on February 5, 2020, having – like the General Shareholders' Meeting of Mediaset SpA on January 10, 2020, approved the amendment to the bylaws of MFE proposed by Mediaset. Furthermore, on April 30, 2020, Vivendi launched new summary proceedings and substantive proceedings in respect of the resolution of the General Meeting of Shareholders of Mediaset España on February 5, 2020. On June 12, 2020, the Commercial Court of Madrid decided to combine the two proceedings initiated on September 16, 2019 and April 30, 2020 by Vivendi against Mediaset España. A decision on the claims of both parties in summary proceedings is expected at the end of July 2020.

On October 1, 2019, Vivendi applied to the Milan Court, on the merits, to request the cancellation of the resolution authorizing the creation of MFE approved by the Mediaset SpA General Meeting of Shareholders on September 4, 2019, resolution which was suspended following a concurrent application in summary proceedings filed by Vivendi on October 15, 2019. Following the changes made to MFE's bylaws on the proposal of the Mediaset Board of Directors, approved by the General Meeting of Shareholders of January 10, 2020, Vivendi again applied to the Milan Court in summary proceedings and on the merits. On February 3, 2020, the judge decided to dismiss the request to suspend the proposed merger. On June 19, 2020, the appeal lodged by Vivendi was dismissed.

On October 29, 2019, Vivendi launched substantive proceedings with the Amsterdam court, seeking to prevent Mediaset Investment N.V. (the future MFE) from amending its bylaws by introducing a number of articles that, according to Vivendi, infringed the rights of minority shareholders.

On January 20, 2020, Vivendi also launched summary proceedings before the Amsterdam Court to prevent the planned merger. On February 26, 2020, the Amsterdam Court dismissed Vivendi's application. Vivendi lodged an appeal on March 25, 2020. A hearing took place before the Amsterdam Appeal Court on July 24, 2020. Following this hearing, the Court of Appeal prohibited the planned merger until it has handed down its ruling, expected on September 1, 2020.

### Parabole Réunion

In July 2007, Parabole Réunion initiated proceedings before the Paris Regional Court following the discontinuation of the exclusive distribution of TPS channels in the territories of Réunion, Mayotte, Madagascar and the Republic of Mauritius and the deterioration of the channels made available to it. In a judgment issued on September 18, 2007, Groupe Canal+ was prohibited, under penalty, from allowing the broadcast of said channels (or replacement channels) by third parties and ordered to replace the TPS Foot channel if it should be terminated. Groupe Canal+ appealed against this judgment. On June 19, 2008 the Paris Appeals Court partly struck down the judgment, ruling that the replacement channels need not be granted exclusively if these channels had been available to third parties before the merger with TPS. Parabole Réunion's claims about the content of the channels were dismissed. On November 10, 2009, the Cour de cassation dismissed this appeal.

On September 24, 2012, Parabole Réunion brought a fast-track claim (assignation à jour fixe) against Groupe Canal+, Canal+ France and Canal+ Distribution before the enforcement Judge (Juge de l'exécution) of the Nanterre Regional Court, seeking to enforce the order of the Paris Regional Court upheld by the Appeals Court. On November 6, 2012, Parabole Réunion extended its motions to the channels TPS Star, Cinecinema Classic, Culte and Star. On April 9, 2013 the enforcement Judge declared part of the Parabole Réunion demand inadmissible and dismissed its other demands. He noted that Groupe Canal+ owed no obligation regarding content or maintenance of programming on the channels made available to Parabole Réunion and found, having established that TPS Foot had not ceased production, that there was no need to replace this channel. Parabole Réunion lodged its first appeal against this ruling on April 11, 2013. On May 22, 2014 the Versailles Appeals Court declared this appeal inadmissible because of the lack of legal capacity of the Parabole Réunion representative. Parabole Réunion lodged a second appeal to have the April 9, 2013 ruling set aside on February 14, 2014. On April 9, 2015, the Cour de Cassation quashed the order of the Versailles Appeals Court of May 22, 2014, which had declared Parabole Réunion's appeal of April 11, 2013 inadmissible. The case was referred to the Paris Appeals Court, which, on May 12, 2016, upheld the first-instance judgment and dismissed all of Parabole Réunion's claims. In a ruling handed down on September 28, 2017, the Cour de Cassation dismissed Parabole Réunion's appeal against the decision of the Paris Appeals Court.

At the same time, on August 11, 2009, Parabole Réunion lodged a fast-track demand against Canal+ Group with the Paris Regional Court, seeking that Canal+ Group be ordered to provide a channel of equivalent attractiveness to TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion also initiated an action against Canal+ France, Groupe Canal+ and Canal+ Distribution before the Paris Regional Court for the purpose of establishing the breach by Groupe Canal+ companies of their contractual obligations towards Parabole Réunion and their commitments to the Minister of the Economy. These two claims were combined in a single procedure. On April 29, 2014, the Court ruled the Parabole Réunion claims partly admissible for the period after June 19, 2008 and accepted the contractual liability of Groupe Canal+ for the inferior quality of the channels made available to Parabole Réunion. The Court also ordered an appraisal of damages suffered by Parabole Réunion, rejecting the company's own appraisals. On June 3, 2016, the Appeals Court upheld the Regional Court's April 29, 2014, ruling. Groupe Canal+ appealed to have the ruling quashed but was denied on January 31, 2018.

In an order issued on October 25, 2016, the pre-trial Judge considered that the April 29, 2014, judgment, by ordering Groupe Canal+ to compensate Parabole Réunion, had established the principle that the latter was entitled to receive compensation even if its amount remained to be established. He ordered Groupe Canal+ to pay a provision of 4 million euros. On January 17, 2017, the Paris Regional Court ordered Groupe Canal+ to pay 37,720,000 euros with provisional enforcement. Parabole Réunion appealed this ruling to the Paris Appeals Court on February 23, 2017. Groupe Canal+ submitted its responses and cross-appeal on July 20, 2017. In the absence of the submission of the responses of Parabole Réunion by the required deadline, on December 8, 2017, Groupe Canal+ submitted responses noting the failure to respect this deadline and accordingly seeking the cancellation of the expert report ordered on October 12, 2017 (see below). On June 7, 2018, the pre-trial Advisor of the Appeals Court gave a ruling rejecting the request for cancellation of the expert's report in progress. Groupe Canal+ asked the Court to refer this ruling to trial, but withdrew that request in October 2018 given the progress made on the report by that point.

On May 29, 2017, Parabole Réunion also notified a cross-appeal seeking the commissioning of an additional appraisal of the impairment of its business assets. On October 12, 2017, the pre-trial Advisor of the Appeals Court approved this request, and a judicial expert was appointed. On December 17, 2018, Parabole Réunion raised a new objection to the pre-trial Advisor for the purpose of having the expert's assignment defined. The expert suspended his work. In an order issued on April 4, 2019, the pre-trial Judge of the Paris Court of Appeal decided that the judicial expert would formulate a hypothetical estimate of damages for the loss in value of the business based on the number of subscribers proposed by Parabole Réunion (i.e. 40,000), with the judicial expert specifying, if appropriate, whether the loss in value of the business resulted from the loss of 40,000 subscribers and/or potential new subscribers, attributable to Groupe Canal+. It nevertheless rejected Parabole Réunion's request to include in the additional work of the expert the assumption that the above 40,000 subscribers would have generated a certain EBIT margin, and sentenced it to bear the costs of the incident. The judicial expert resumed work in mid-April 2019. On May 19, 2020, Parabole Réunion filed a request with the pre-trial Judge of the Paris Court of Appeal to replace the judicial expert. In an order dated May 28, 2020, this request was rejected. On May 29, 2020, Parabole Réunion filed a new motion requesting that this order be set aside. The judicial expert's assessment is ongoing.

### Touche Pas à Mon Poste

On June 7, 2017 the French media regulator, the Conseil supérieur de l'audiovisuel or CSA, penalized C8 for a sequence broadcast during the "TPMP" show on December 7, 2016. The sequence, which was not meant to be broadcast, showed the program's presenter Cyril Hanouna larking about with one of the contributors, Capucine Anav. The CSA found that it was degrading to the image of women. It imposed a further two-week ban on running advertising during broadcasts of "Touche Pas à Mon Poste", its rebroadcasts and the fifteen minutes either side of the show.

On the same day, the CSA sanctioned C8 for another sequence broadcast during the "TPMP! Grande Rasshrah" show on November 3, 2016. The CSA found that this new sequence, in which a contributor, Matthieu Delormeau, was filmed using a hidden camera, violated his dignity. It imposed a further one-week ban on running advertising during broadcasts of "Touche Pas à Mon Poste", its rebroadcasts and the fifteen minutes either side of the show.

On July 3, 2017, following these two CSA rulings, C8 filed two requests for annulment with the French Council of State (Conseil d'État). On July 4, 2017, C8 also filed two claims for compensation with the CSA, which were rejected by an implied decision. On November 2, 2017, C8 appealed these decisions to the Council of State. On June 18, 2018, the Council of State rejected C8's first application for judicial review but did uphold its second application by overruling the decision of the CSA. The Council of State's decision to reverse has been appealed to the European Court of Human Rights, in December 2018.

On November 13, 2019, the Council of State rejected the first claim for compensation but allowed the second, ordering the CSA to pay 1.1 million euros to C8, for the week during which the channel was deprived of advertising.

On July 26, 2017, the CSA decided to penalize C8 for a sequence broadcast during "TPMP Baba hot line" on May 18, 2017, judging that the channel had ignored the principle of respect for private life and its obligation to fight against discrimination, levying a cash fine of 3 million euros. Following this decision, on September 22, 2017, C8 filed for judicial review of an administrative action before the French Council of State, which was rejected on June 18, 2018. That decision has been appealed to the European Court of Human Rights, in December 2018. In addition, C8 filed an action for damages with the CSA, whose implicit rejection was contested before the Council of State on January 25, 2018. C8 withdrew this action for damages on September 7, 2018. On the same issue, Groupe Canal+ sent a letter to the CSA on February 18, 2019, requesting the cancellation of the aforementioned financial penalty of 3 million euros following the declarations of an official of the association "Le Refuge" in November 2018 to the effect that none of the alleged victims of the hoax had made distress calls to the association, contrary to his initial claims. This request was denied on April 5, 2019. An appeal against this decision was filed with the Council of State on June 5, 2019.

Lastly, on May 6, 2020, the independent rapporteur, appointed by the Director General of the CSA, initiated disciplinary proceedings against the C8 channel and forwarded its statement of grievances. The events likely to lead to sanctions relate to sequences in the shows "La grande Darka" and "Touche Pas à Mon Poste", broadcast in September 2019, which could be considered clandestine advertising.

### Rovi Guides Inc. versus Groupe Canal+

In December 2017, Rovi Guides petitioned the International Chamber of Commerce to mediate a dispute with Groupe Canal+ for failure to honor a patent licensing agreement for an electronic program guide which was signed in 2008 and for non-payment of the associated royalties between January 1, 2016, and June 30, 2017.

As the parties were unable to settle, the mediation was terminated and Rovi filed a motion for arbitration on June 1, 2018. On July 8, 2020, the International Court of Arbitration of the International Chamber of Commerce issued its decision in which it found, inter alia, that Groupe Canal+ had not breached its contractual obligations by failing to disclose and pay for the initial activation of TNTSat set-top boxes. However, Groupe Canal+ was ordered to pay certain unpaid royalties and related sums for an insignificant amount.

### Inquiry by the Hauts-de-Seine agency for population protection (*Direction Départementale de la Protection des Populations des Hauts-de-Seine*)

On April 20, 2018 the Direction Départementale de la Protection des Populations des Hauts-de-Seine (DDPP92) took out an injunction against Grouoe Canal+ to cease placing its subscribers on contract into enhanced products, a practice which the DDPP92 deemed to be an "unordered sale." On June 19, 2018, Groupe Canal+ filed an appeal above the DDPP92 to the Minister of the Economy, who rejected it on August 9, 2018. On October 5, 2018, Canal+ Group filed an appeal with the Administrative Court of Cergy-Pontoise.

At the same time, DDPP92 has informed Groupe Canal+ that it has sent the file to the office of the Nanterre public prosecutor along with a note stating that it considers Groupe Canal+ to have committed the offense of forced sale of services, prohibited by provisions of the French Consumer Code.

On July 8, 2020, a hearing before the judicial court of Nanterre was held to approve a plea bargain between Groupe Canal+ and the deputy public prosecutor of Nanterre, pursuant to which Groupe Canal+ is to pay a fine, thus bringing this case to a close.

### Thierry Ardisson, Ardis, Télé Paris versus C8 and SECP

On September 24, 2019, Thierry Ardisson and the companies Ardis and Télé Paris assigned C8 and SECP under an expedited procedure before the Paris Commercial Court for termination of trade relations with no notice, following the non-renewal of the broadcasts "Les Terriens du Samedi" and "Les Terriens du Dimanche", citing a situation of economic dependence. The plaintiffs sought an order in solidum from C8 and SECP to pay Ardis the sum of 5,821,680 euros, Télé Paris the sum of 3,611,429 euros and Thierry Ardisson the sum of 1 million euros to cover his alleged moral prejudice. On January 21, 2020, a judgment was rendered under which C8 was ordered to pay 811,500 euros to Ardis and 269,333 euros to Télé Paris. Thierry Ardisson's case was dismissed, and SECP was found not to have grounds for its claim. On March 16, 2020, Thierry Ardisson, Ardis and Télé Paris appealed this decision.

### Groupe Canal+ versus Technicolor

In December 2016, Groupe Canal+ and Technicolor entered into an agreement to manufacture and deliver G9 set-top boxes (for mainland France) and G9 Light set-top boxes (for Poland). In 2017, Technicolor challenged the prices agreed with Groupe Canal+ and ultimately decided to terminate this agreement at the end of 2017. As a result, Groupe Canal+ brought summary proceedings against Technicolor before the Nanterre Commercial Court for breach of contract. On December 15, 2017, Groupe Canal+'s claim was rejected. However, on December 6, 2018, the Versailles Court of Appeal ruled in its favor, recognizing the wrongful nature of the termination of contract by Technicolor. Technicolor filed an appeal before the French Cour de cassation, which was dismissed on June 24, 2020.

In parallel, on September 2, 2019, Groupe Canal+ filed a complaint before the Paris Commercial Court against Technicolor for breach of its contractual commitments. In its complaint, Groupe Canal+ alleged that Technicolor had failed to deliver the

G9 and G9 Light set-top boxes in accordance with the manufacturing and delivery agreements entered into between the two companies. Groupe Canal+ is claiming reimbursement of the additional costs paid and alternative transport costs, the payment of late penalties, and damages. On October 9, 2019, Technicolor, in turn, assigned Groupe Canal+ as well as Canal+ Réunion, Canal+ Antilles and Canal+ Calédonie under an expedited procedure for non-payment before the Commercial Court of Nanterre.

### Soundgarden, Hole, Steve Earle and the rights holders of Tom Petty and Tupac Shakur versus UMG

On June 21, 2019, the Soundgarden and Hole groups, singer Steve Earle, Tom Petty's ex-wife, and Tupac Shakur's rights holders sued UMG before the California Central District Court as part of a class action suit following a fire that destroyed thousands of archived recordings in 2008.

The plaintiff s allege that UMG failed to comply with the terms of the contracts concluded with the artists by not protecting the recordings sufficiently. It is also argued that the Group should have shared the compensation received in the form of transactions negotiated with insurance companies on the one hand and NBCU on the other hand. UMG filed a motion to dismiss on July 17, 2019. On August 16, 2019, the complainants filed an amended complaint removing Hole from the list of complainants and adding certain grievances. On September 6, 2019, UMG filed a new motion to dismiss. On March 13 and March 23, 2020, most of the plaintiffs withdrew from the case and the only plaintiff remaining was Jane Petty (Tom Petty's ex-wife). On April 6, 2020, the Court granted UMG's motion to dismiss and dismissed Jane Petty's claims.

Nevertheless, Jane Petty is still seeking to pursue the case. On April 16, 2020, she filed an application for class certification and, on April 27, 2020, she filed a second amended complaint. On May 18, 2020, UMG filed a motion to dismiss.

### John Waite and Joe Ely versus UMG Recordings, Inc.

On February 5, 2019, a class action suit was filed against UMG Recordings, Inc., on behalf of a potential class of artists who requested the termination of the contracts binding them to UMG in a procedure pursuant to section 203 of the Copyright Act, allowing, under certain conditions, an author who has concluded a contract under which he/she transferred the rights to his/her work to a third party, to terminate the said contract after a period of thirty-five years. The complaint seeks to have the Court recognize the termination of the contracts of the artists involved in the litigation and also alleges copyright infringement, as UMG continued to use the recordings after the purported end date of the contract. On May 3, 2019, UMG Recordings filed a motion to dismiss. On June 15, 2019, the plaintiffs filed a First Amended Complaint adding artists Syd Straw, Kasim Sulton and The Dickies as additional plaintiffs. On June 26, 2019, UMG Recordings Inc. filed a new motion to dismiss. On March 31, 2020, the Court partially granted that motion, finding that certain plaintiffs (John Waite, Joe Ely and Syd Straw) were ineligible. The remaining plaintiffs indicated that they wanted to add the band Dream Syndicate as an additional plaintiff. Discovery is currently underway and the trial is scheduled to take place on November 9, 2020.

### Tax audits

The Group and its subsidiaries are routinely subject to tax inspections in the countries in which they operate or have operated. Various tax authorities have proposed adjustments to the results reported by the Group and its subsidiaries for the 2019 and prior fiscal years, subject to the statute of limitations protecting the Group and its subsidiaries. In litigation situations, the Group's policy is to pay the taxes it intends to contest, and to seek a refund through appropriate legal proceedings. For tax inspections in progress at year end, no provision is made when it is not possible to accurately assess the impact that could result from an unfavorable outcome. Group Management believes that it has solid legal grounds to defend its positions for determining the taxable income of all its subsidiaries. The Group's Management therefore considers that the outcome of the ongoing tax audits is unlikely to have a material impact on the Group's financial position or liquidity.

### Tax consolidation and consolidated global profit regimes

Vivendi SE benefits from the tax consolidation system and, up until December 31, 2011 inclusive, it benefited from the "Consolidated Global Profit" regime pursuant to Article 209 quinquies of the French Tax Code. As from January 1, 2012, Vivendi SE benefits only from the French tax consolidation system.

- The tax consolidation regime allows Vivendi to consolidate for tax purposes its profits and losses with the profits and losses of French companies at least 95% directly or indirectly controlled, namely as of December 31, 2019, mainly entities belonging to Universal Music Group, Groupe Canal+, Havas group and Gameloft in France, as well as the companies involved in the Group's development projects in France (Vivendi Village, Dailymotion, etc.).
- Up to December 31, 2011, the approved consolidated global profit regime allowed Vivendi to consolidate for tax purposes its profits and losses with the profits and losses of Group companies at least 50% directly or indirectly controlled, both in France and abroad. It initially received approval for a five-year period, namely from January 1, 2004 to December 31, 2008, which was renewed on May 19, 2008 for a three-year period, namely from January 1, 2009 to December 31, 2011. For reference, on July 6, 2011, Vivendi filed a further application with the French Ministry of Finance for approval to use the consolidated global profit tax system for a three-year period from January 1, 2012 to December 31, 2014.
- Changes in French tax law in 2011 ended the consolidated global profit regime for companies closing their fiscal years from September 6, 2011 and capped the use of tax loss carryforwards at 60% of taxable profit. Since 2012, the allocation of tax losses carried forward has been capped at 50% of taxable profit.

The French tax consolidation and consolidated global profit regimes have the following impact on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward):

- As Vivendi considers that its entitlement to use the consolidated global profit regime was effective until the end of the authorization granted by the French Ministry of Finance (i.e. until December 31, 2011), in 2012, Vivendi submitted a 366 million-euro refund request with respect to fiscal year 2011. At the end of the approval procedure conducted before the administrative bodies, the French Council of State by its decision of October 25, 2017 recognized Vivendi's right to make a claim of reasonable confidence authorizing it to apply the consolidated profit regime over the entire period covered by the approval, including therefore the period ended December 31, 2011. Since the Council of State is in this instance the court of last resort, the sum of 366 million euros repaid to Vivendi, along with default interest in the amount of 43 million euros, became non-refundable. Consequently, in its financial statements for the year ended December 31, 2017, Vivendi recorded a tax income of 409 million euros.
- In addition, given that the foreign tax receivables held by Vivendi upon exiting the consolidated global profit tax system can be carried forward until expiry of the approval, Vivendi asked for repayment of the tax paid for the fiscal year ended December 31, 2012. At the end of the legal proceeding initiated by Vivendi before the Administrative Court of Montreuil, followed by the Versailles Administrative Court of Appeal, on December 19, 2019, Vivendi received a favorable decision from the French Council of State regarding the use of foreign tax receivables upon the exit from the consolidated global profit regime. In addition, in light of the decision of the Regional Court in its litigation relating to the year 2012, Vivendi requested a refund of tax due for the fiscal year ended December 31, 2015. The decision of the French Council of State of December 19, 2019 led the tax authorities to issue a refund of the tax paid by Vivendi for 2012 and to automatically reduce the tax paid by Vivendi for 2015.
- The decision of the French Council of State on December 19, 2019 resulted in the following measures:

- In its financial statements for the year ended December 31, 2019, Vivendi recognized current tax income in the amount of 473 million euros, i.e. 244 million euros for 2012 (218 million euros in principal and 26 million euros in default interest) and 229 million euros for 2015 (203 million in principal and 26 million euros in default interest);
- the tax authorities paid Vivendi 223 million euros (218 million euros in principal and 5 million euros in default interest) on December 27, 2019. In addition, the tax authorities paid 250 million euros to Vivendi in January 2020, i.e. the balance of 21 million euros in respect of default interest for 2012 and 229 million euros for 2015 (203 million euros in principal and 26 million euros in default interest).

- This decision will finally allow Vivendi to seek a refund of any corporate tax payment made as a result of the tax audit of its consolidated subsidiaries for the 2012-2016 period.

## Other tax audits

Regarding the tax inspections for 2008 to 2012, Vivendi SE was the subject of an assessment with the tax authorities challenging the accounting and tax treatment for the NBC Universal securities received in consideration upon the 2004 disposal of the securities of Vivendi Universal Entertainment and challenging the deduction of the 2.4 billion euros loss on the disposal of these securities in 2010 and 2011. The French National Board for Direct Taxation to which this dispute was referred gave its opinion on December 9, 2016, which was communicated to Vivendi SE on January 13, 2017, in which it calls for the assessments proposed by the tax authorities to be dropped. The dispute moreover being based on administrative principles, Vivendi asked for its cancellation on the grounds that it was creating new law. On May 29, 2017, the French Council of State favorably received Vivendi's appeal for misuse of authority. By letter dated April 1, 2019 and after various appeals, the tax authorities confirmed the order. On June 18, 2019, Vivendi therefore initiated litigation before the department responsible for the taxation. As no reply was received from the tax authorities, on December 30, 2019, Vivendi filed a complaint before the Administrative Court of Montreuil. The tax authorities were given a six-month period to respond to Vivendi's request, although such period is not mandatory and was affected by the COVID-19 pandemic.

In addition, as part of the ongoing tax audit for fiscal years 2013 to 2016, on June 4, 2020, the tax authorities proposed a set of adjustments for 33 million euros (base) for these four financial years. This proposal would rectify Vivendi's tax losses carried forward and would not result in any current tax liabilities. Vivendi must respond to this adjustment proposal by September 24, 2020.

In the case of the US tax group, the audit for the years 2011, 2012 and 2013 is now complete. On January 31, 2018, the US tax authorities informed Vivendi that they were auditing its returns for the 2014, 2015 and 2016 fiscal years. The audits were ongoing as of December 31, 2019.

Finally, with respect to Havas group, Havas SA brought an action seeking the repayment of the withholding tax paid by the company between 2000 and 2002 on the redistribution of dividends from European subsidiaries, namely 38 million euros. Following a decision by the Administrative Court and later by the Paris and Versailles Courts of Appeals, on July 28, 2017, the Council of State rejected an appeal by Havas against the decision of the Versailles Court of Appeal. This decision permanently ends this tax dispute and means that Havas won't be refunded the withholding tax. However, to reassert Havas's right to compensation, a series of three actions have been taken: (i) a complaint to the European Commission, (ii) referral to the European Court of Human Rights and (iii) a claim against the State.

## Note 12 - Employee expenses and benefits

### 12.1 - Share-based payment transactions

IFRS 2 expenses recognized over the period amounted to 27.8 million euros, of which 25 million euros related to the Vivendi group (of which 24 million for the Vivendi plans and 1 million for the Havas plans) and 2.8 million euros for other entities in the Financière de l'Odet Group.

They reflect the application of an additional six-month vesting period.

The terms and conditions of allocation for plans already in effect as of December 31, 2019 are described in the notes to the Vivendi group's 2019 financial statements for Vivendi and Havas, and those of the Financière de l'Odet group for Bolloré.

The main new plans granted over the first half of 2020 are as follows:

Bolloré SE:

On March 12, 2020, the Board of Directors of Bolloré SE decided to grant free shares under the authorization granted by the General Meeting of Shareholders of May 29, 2019, relating to 765,000 Bolloré SE shares.

In the first half of 2020, the IFRS 2 expense recorded for this free share grant was 0.1 million euros. Over this period, the expense recorded for all Bolloré free share grants was 2.8 million euros.

Vivendi SE:

On February 13, 2020, Vivendi granted 1,596 thousand performance shares to employees and senior executives, of which 185 thousand were granted to members of the Management Board. The terms and conditions of the grant are explained in the Vivendi group interim financial report for 2020.
In the first half of 2020, the IFRS 2 expense recorded for all Vivendi performance share plans was 10 million euros.
On July 21, 2020, Vivendi SE carried out an employee shareholding plan through the sale of treasury shares under a group savings plan and a leveraged plan reserved for employees, retirees and corporate officers of the group.
Under the group savings plan, 1,187 thousand shares were acquired in 2020 through a company mutual fund (Fonds Commun de Placement d'Entreprise) at a price of €16.554 per share. The benefit granted to the beneficiaries, which is equal to the positive difference between the acquisition price and the stock market price at the end of the subscription period on June 18, 2020 (discount of 27.3%), was higher than the cost of non-transferability (18.6%).
As of June 30, 2020, the expense recognized with respect to the group savings plan amounted to €2 million.
Under the leveraged plan, 6,486 thousand shares were acquired in 2020 through a company mutual fund at a price of 16.554 euros per share. The leveraged plan entitles employees, retirees and corporate officers who are beneficiaries of Vivendi SE and its French and foreign subsidiaries, to acquire Vivendi shares at a discounted price and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) attached to 10 shares for each acquired share. This transaction was underwritten by a financial institution commissioned by Vivendi. In addition, 193 thousand shares were acquired as part of an equivalent employee shareholding plan implemented for employees of the group's Japanese subsidiaries.
As of June 30, 2020, the expense recognized with respect to the leveraged plan amounted to €12 million.
The detailed features of the main new plans are as follows:

| **Allocation conditions for free share and performance plans granted during the first half of 2020** | | |
|---|---|---|
| **Shares affected** | **VIVENDI** | **BOLLORÉ** |
| Grant date | February 13, 2020 | March 12, 2020 |
| Number of shares awarded | 1,596,000 | 765,000 |
| Share price on award date (in euros) | 25.19 | 2.496 |
| Dividend rate (as a percentage) | 2.38 | 2.40 |
| Fair value of one share (in euros) | 21.68 | 2.32 |
| Vesting period | 36 months | 36 months |
| Lock-up period | 2 years from the end of the vesting period, i.e. February 13, 2025 | None at the end of the vesting period, i.e. March 12, 2023 |
| **Number of shares granted as of June 30, 2020** | **1,596,000** | **765,000** |

The half-year change in the number of shares and options outstanding relating to share-based payment transactions over the period was as follows:

| Changes in the number of outstanding free and performance shares | | | |
|---|---|---|---|
| **Shares affected** | **VIVENDI** | **HAVAS (1)** | **BOLLORÉ** |
| **Number of shares as of December 31, 2019** | **5,282,000** | **3,635,360** | **5,865,500** |
| From business combinations | | | |
| Grant | 1,596,000 | | 765,000 |
| Expired | | (3,537,000) | |
| Fiscal year | (1,171,000) | | (1,610,000) |
| Canceled | (384,000) | (25,000) | (30,000) |
| **Number of shares as of June 30, 2020** | **5,323,000** | **73,360** | **4,990,500** |

| Change in the number of share subscription | |
|---|---|
| **Options affected** | **VIVENDI** |
| **Number of options at December 31, 2019** | **3,078,000** |
| From business combinations | |
| Grant | |
| Expired | (349,000) |
| Fiscal year | (949,000) |
| Canceled | |
| **Number of options at June 30, 2020** | **1,780,000** |

(1) Relates to the plans granted on the following dates:
- February 28, 2017, which expired on February 27, 2020: 551 thousand shares were settled in cash by Vivendi at a price of 11.00 euros per share and 983 thousand Havas shares were exchanged for 433 thousand Vivendi shares, on the basis of 0.44 Vivendi shares for one Havas share in accordance with the terms and conditions of the plan.
- May 10, 2016, which expired on May 10, 2020: 696 thousand shares were settled in cash by Vivendi at a price of €8.66 per share and 1,307 thousand Havas shares were exchanged for 575 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan.

## Note 13 - Taxes

### 13.1 - Income tax analysis

| *(in millions of euros)* | **June 2020** | June 2019 | December 2019 |
|---|---|---|---|
| Current and deferred tax (1) | (282.1) | (202.9) | (307.0) |
| Other taxes (flat-rate, adjustments, tax credits, *carry back*) (2) | (6.3) | (3.0) | 462.0 |
| Withholding taxes | (47.1) | (10.0) | (84.3) |
| Corporate added value contribution | (17.0) | (19.2) | (36.2) |
| **Total** | **(352.6)** | (235.0) | 34.5 |

(1) Included the deferred tax charge related to the revaluation through profit or loss of the shareholdings in Spotify and Tencent Music for an aggregate amount of (110) million euros for the first half of 2020, compared to (37) million euros for the first half of 2019 and (36) million euros in 2019.
(2) Includes current tax income in December 2019 of 473 million euros recognized following the favorable decision of the French Council of State on December 19, 2019 concerning the use of foreign tax receivables upon exiting the consolidated global profit regime, i.e. 244 million euros for 2012 (218 million euros in principal and 26 million euros in default interest) and 229 million euros for 2015 (203 million euros in principal and 26 million euros in default interest).

## Note 14 - Related-party transactions

The consolidated financial statements include transactions performed by the Group as part of its normal activities and under market conditions with companies controlled exclusively or jointly and companies over which the Group exercises significant influence, as well as with non-consolidated companies that have a direct or indirect capital link to the Group.
This note should be read in conjunction with the information on related parties at December 31, 2019 as detailed in note 13 "Related-party transactions" of the notes to the consolidated financial statements for the year ended December 31, 2019.
Transactions entered into with companies exclusively controlled by the Group are fully consolidated in the consolidated financial statements and flows are thus neutralized.
The Group did not enter into any significant new transactions with its other related parties in the first half of 2020.

## Note 15 - Subsequent events

The main event between year-end and July 31, 2020, the date of the Board of Directors' meeting of Financière de l'Odet SE called to approve the half-yearly financial statements is as follows:
On July 14, 2020, the Group declared holding 21.19% of Lagardère's share capital and 16.01% of its voting rights as of July 10, 2020.

## STATUTORY AUDITOR'S REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

Period from January 1 to June 30, 2020

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*
To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code (*"code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Financière de l'Odet SE, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These half-year condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on July 31, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

### 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

### 2. Specific verification

We have also verified the information presented in the half-yearly management report commenting the condensed half-yearly consolidated financial statements subject to our review prepared on July 31, 2020.
We have no matters to report as to its fair presentation and consistency with the condensed half-yearly condensed consolidated financial statements.

Paris and Paris-La Défense, September 11, 2020

The Statutory Auditors
*French original signed by*

| AEG FINANCES | CONSTANTIN ASSOCIES |
|---|---|
| Membre français de Grant Thornton International | Member of Deloitte Touche Tohmatsu Limited |
| Samuel CLOCHARD | Thierry QUERON |

## STATEMENT OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I hereby certify that to the best of my knowledge the condensed financial statements for the past half year have been prepared in accordance of the company and all its consolidated entities, and that the interim progress report on page 3 gives a true picture of the highlights in the first six months of the financial year, their effect of the accounts, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

September 14, 2020

Vincent Bolloré
Chairman and Chief Executive Officer

## A

**Adjusted operating income (EBITA):**

It corresponds to operating income before amortization of intangible assets related to business combinations (PPA – Purchase Price Allocation), impairment of goodwill and other intangible assets related to business combinations

**Autorité des marchés financiers – AMF (French Financial Markets Authority):**

Its tasks include setting the rules for the functioning and ethics of markets, market supervision and protection of shareholders and investors.

## B

**Bond:**

Negotiable debt security issued by a public or private company, local authority or State, paying fixed-rate interest over a specific period and including a promise to repay at maturity.

## C

**Capital gain:**

Gain obtained from the sale of a security, corresponding to the difference between its disposal value and acquisition value.

**Concession:**

Contract between the public administration and a private entity in which the former authorizes the latter, in exchange for compensation, to occupy a public domain or carry out works.

**Corporate governance:**

Corporate governance describes the system formed by all processes, regulations, laws and institutions designed to govern the way in which companies are managed, administrated and controlled.

**Corporate officers:**

They are the Chief Executive Officer, the Chairman of the Board of Directors and the members of the Board of Directors.

## D

**Distribution:**

Distribution networks are groups of structures mainly comprising medium or low pressure pipelines. They carry natural gas to consumers that are not directly connected to the mains network or a regional transport network.

**Dividend:**

A dividend is compensation paid by a company to its shareholders.
These receive it without a counterparty and remain the owners of their shares; if not, it would be a share buyback.
It is the shareholders themselves, during the General Shareholders' Meeting, that decide to allocate a dividend if they consider that the company that they own has sufficient resources to distribute assets without affecting its operations.

## E

**EBITDA:**

Operating income before depreciation, amortization and impairment.

**Equity:**

Capital belonging to shareholders including capital subscriptions, profits left in reserves and income for the period.

**Equity investments (or securities):**

An equity investment is a security that does not grant voting rights or a share in the capital. In this sense, it is close to an investment certificate.
The equity investment offers the possibility to individuals or investors that are not partners to contribute funds to a company, without a limit on the amount, with compensation that may be attractive.

## F

**Financial capital investments:**

Acquisition of equity investments (net of cash acquired) and changes in interests without the takeover of subsidiaries.

## I

**IFRS (International Financial Reporting Standards):**

International accounting standards, applicable from January 1, 2005, prepared by the International Accounting Standards Board (IASB) designed for listed companies or those that call on investors, in order to harmonize the presentation and improve the clarity of their financial statements.

## L

**Liquidity:**

Ratio between the volume of shares exchanged and the total number
of shares in the share capital.

## N

**Net financial debt:**

Non-current financial debts, including the share of under one-year, financial debts and other current financial liabilities, less cash, cash equivalents and current financial assets.

**Net financial debt/Net cash position:**

Sum of loans at amortized cost, less cash and cash equivalents, financial cash management assets and net derivative financial instruments (assets or liabilities) with as underlying a net financial debt item as well as cash deposits backing borrowings.

**Net revenue:**

It corresponds to revenue after the deduction of re-billable costs.

## O

**Organic growth:**

growth at constant consolidation scope and exchange rates.

## P

**Par value:**

Initial value of a share set by a company's bylaws. The share capital of a company is reached by multiplying the par value by the number of shares comprising this capital.

**Public exchange offer:**

In finance, a public offer is an operation launched by a company, financial group or other private entity, in the form of a proposal made to the public to buy, exchange or sell a certain number of securities in a company, under precise, regulated procedures that are controlled by the stock market authorities, notably with regard to the financial information to be provided to the general public (in France, the AMF and in the United States, the SEC).

## R

**Rating agency:**

A financial rating agency is an organization responsible for assessing the risk of default on payment of debt or a loan from a State, a company or a local authority.

**Reserves:**

Retained earnings, kept by the company until a contrary decision.

## S

**Share:**

Negotiable security representing a fraction of a company's share capital.
The share gives its holder, the shareholder, the title of partner and grants him/her certain rights. The share may be held in registered or bearer form.

**Share buyback:**

Transaction on the stock market in which a company purchases its own shares, up to 10% of its share capital and after authorization from its shareholders at their General Shareholders' Meeting. The purchased shares do not enter into the calculation of net profit per share and do not receive dividends.

**Streaming:**

Technique for transmitting and receiving multimedia data online in a continuous way, avoiding the need to download data and allowing live broadcasting (or with a slight lag).

## U

**UCITS (Undertakings for Collective Investment in Transferable Securities – OPCVM in French):**
A savings product that holds part of a collective portfolio invested in securities, with management carried out by a professional, including SICAV and FCP in France.

The non-GAAP measures defined below should be considered in addition to, and not as a substitute for other GAAP measures of operating and financial performance, and Bolloré considers these to be relevant indicators of the Group's operational and financial performance. Furthermore, it should be noted that other companies may define and calculate these indicators differently. It is therefore possible that the indicators used by Bolloré cannot be directly compared with those of other companies.

The percentages changes indicated in this document are calculated in relation to the same period of the previous fiscal year, unless otherwise stated. Due to rounding in this presentation, the sum of some data may not correspond exactly to the calculated total and the percentage may not correspond to the calculated variation.

Financière de l'Odet

FINANCIÈRE DE L'ODET SE

Siège social : Odet 29500, Ergué-Gabéric – France
Siège administratif : 42, avenue de Friedland – 75008 Paris – France
Tél. : +33 (0)1 71 71 10 00

**www.financiere-odet.com**